



Daily Report

East Asia

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Japan

Coalition, SDP Resume Talks on New Government

OW2406032694 Tokyo KYODO in English 0253 GMT
24 Jun 94

[Text] Tokyo, June 24 KYODO—Japan's ruling coalition parties resumed talks Friday with the Social Democratic Party (SDP) in an attempt to woo the second largest opposition force back into the fold in the face of a no-confidence vote being sought by the Liberal Democratic Party (LDP).

"Who is going to resign en masse? Nothing has been decided yet," Prime Minister Tsutomu Hata said Friday morning in response to reporters' questions about the SDP's demand for the voluntary dissolution of his cabinet.

Hata on Thursday indicated he is ready to resign with his ministers if it is necessary to bring the SDP back. The SDP left the coalition in April, giving rise to the nation's first minority government in four decades.

Earlier the same day, the main opposition LDP, ousted from power last August by a reformist coalition after 38 years of rule, submitted the no-confidence motion against the Hata government.

The SDP, which has the swinging vote, has said it may join in the motion if the realignment talks collapse.

The fresh round of talks between coalition partners, led by Hata's Shinseito, and the SDP was focused on plans to raise the 3 percent consumption tax to cover income tax cuts, welfare funding and other key financial needs.

The SDP, which opposed the consumption tax when it was introduced in 1989, is demanding it be replaced with other forms of indirect taxation.

Hata met with SDP head Tomiichi Murayama for less than half an hour Thursday night in an unsuccessful attempt to tide over the political crisis, leaving the fate of the government to further talks between their top aides.

Whether the two leaders will have another meeting Friday "will depend on progress on various things," Hata said as he headed for the day's cabinet meeting.

Murayama told a meeting Friday morning of the party's central executive committee that he will seek to settle the stalemate within the day.

Referring to the no-confidence motion, Murayama said a plenary session of the House of Representatives, if convened, must give priority to a vote on the motion but that the steering committee's decision to call a full-house session depends on the day's developments on the political front.

In a related development, the SDP rejected the LDP's offer Thursday to hold coalition talks, saying the socialists are consulting the governing parties on their possible return to the coalition camp.

Coalition To Reject SDPJ Call To Disband Cabinet

OW2406083594 Tokyo KYODO in English 0803 GMT
24 Jun 94

[Text] Tokyo, June 24 KYODO—The ruling coalition parties will reject a demand by the Social Democratic Party (SDP) [SDPJ—Social Democratic Party of Japan] that Prime Minister Tsutomu Hata immediately disband his cabinet to reconcile with the SDP, a former member of the ruling bloc, coalition sources said Friday [24 June].

The sources said leaders of the coalition partners met and reached a consensus that there is no reason for the Hata cabinet to resign en masse.

At the meeting, the minority alliance decided on policy proposals for a new government to be proposed to other parties not including the SDP, they said.

During talks on Friday afternoon with the ruling coalition parties, the SDP once again called for the Hata cabinet's resignation, the sources said. The coalition parties said they will discuss the SDP request among themselves, they said.

The minority coalition and the SDP are meeting in an attempt to woo the second largest opposition force back into the fold in the face of a no-confidence vote being sought by the Liberal Democratic Party (LDP).

Hata on Thursday hinted that he is ready to resign with his ministers if it is necessary to bring the SDP back into the fold. The SDP left the coalition in April, giving rise to a minority government in four decades.

The LDP, Japan's largest political party which was driven out of power last August by a reformist coalition after 38 years of rule, on Thursday submitted the no-confidence motion against the Hata government.

The fresh round of talks between coalition partners, led by Hata's Shinseito, and the SDP was focused on plans to raise the 3 percent consumption tax to cover income tax cuts, welfare funding and other key financial needs.

The SDP, which opposed the consumption tax when it was introduced in 1989, is demanding it be replaced with other forms of indirect taxation.

Kubo: SDPJ, Coalition Fail To Reach Accord

OW2406093494 Tokyo KYODO in English 0925 GMT
24 Jun 94

[Text] Tokyo, June 24 KYODO—The Social Democratic Party (SDP) cannot come to agree with the ruling coalition on key policies that would bring the party back

to the coalition fold, SDP [SDPJ—Social Democratic Party of Japan] General Secretary Wataru Kubo said Friday [24 June].

Kubo told reporters the SDP handed down its position in a second round of meetings with coalition parties held Friday evening.

Kubo said the SDP and the coalition parties were unable to reach agreement on tax reform despite detailed discussions, with the ruling coalition calling for a consumption tax hike while the SDP is opposed to such a move.

Although it is not impossible to find ways to reach an agreement on tax reform, Kubo said it is difficult considering the time limit under the current political situation.

The SDP and the ruling coalition parties also remained at odds over the resignation of Prime Minister Tsutomu Hata and the formation of a new government, he said.

"We heard that the leaders of the ruling coalition parties agreed earlier in the day that the cabinet's resignation is unnecessary," Kubo said.

"We consider that to mean that they cannot accept SDP demands" for the cabinet to resign en masse and to then form a new coalition government, he said.

Kubo said it is "truly regrettable" but the SDP has reached a conclusion that it cannot agree with the ruling parties on policies that are crucial for the SDP's return to the government.

He said, however, that the SDP and the coalition parties will hold talks again later in the day, after the coalition side meets to discuss the SDP's stance.

"But our stance is final," Kubo said.

Asked whether the SDP will support a no-confidence motion against the Hata government, which was submitted Thursday by the Liberal Democratic Party (LDP), Kubo said the party is undecided.

Hata indicated Thursday that he is ready to resign with his ministers if it is necessary to bring the second largest opposition SDP back to the coalition. The SDP left the coalition in April.

Hata told a news conference he will leave everything, including his resignation, to the negotiations between the coalition parties and the SDP.

Hata also met SDP Chairman Tomiichi Murayama Thursday night in an unsuccessful attempt to tide over the political crisis.

The two-month old minority coalition and the SDP held two rounds of negotiations Friday in the morning and in the evening.

Meanwhile, LDP President Yohei Kono vowed to pass the no-confidence motion against Hata's government and bring his party back to power.

The LDP lost its nearly four-decades-long grip on power last August.

At a general meeting of parliamentarians from both houses of the Diet, Kono blasted the coalition, saying it has lost international respect for its "irresponsibility."

He said the coalition government has not implemented any policies and leaves everything to the bureaucrats.

Coalition, Opposition Agree To No-Confidence Vote

OW2406130694 Tokyo KYODO in English 1258 GMT 24 Jun 94

[Text] Tokyo, June 24 KYODO—The ruling coalition and the opposition agreed Friday [24 June] night to convene a plenary session of the House of Representatives at 1 a.m. Saturday [1600 GMT 24 June] to vote on a no-confidence motion against the minority government of Prime Minister Tsutomu Hata.

They reached the agreement at a meeting of directors of the lower house's steering committee, party officials said.

If Hata fails to survive the no-confidence vote, he must either resign with his entire cabinet or dissolve the lower house for a snap election. The no-confidence motion was proposed by the opposition Liberal Democratic Party.

Hata Holds Post-Budget News Conference

OW2306112494 Tokyo NHK General Television Network in Japanese 0830 GMT 23 Jun 94

[News conference by Japanese Prime Minister Tsutomu Hata with unidentified domestic correspondents at the prime minister's official residence in Tokyo—live]

[Text] The enactment of the 1994 budget has been delayed for a long time. Compared with past budget deliberations in the Diet, the 1994 budget was deliberated in the Diet for a very short time. The 1994 budget, that directly affects the livelihood of the people, was enacted today in the Diet. I would like to express my heartfelt gratitude to both the ruling and opposition parties for cooperating with each other in enacting the budget. I believe it is important to implement the budget steadily and early to stimulate the economy. Taking advantage of this opportunity, I would like to state my views.

The situation at home and abroad is very grim. I believe that in order to overcome the difficult situation, it is very important to establish an administration based on a solid foundation. The ruling coalition parties have begun policy discussions with the Social Democratic Party of Japan [SDPJ] and other parties. I intend to leave issues, including the question of my resignation as prime minister, to the policy discussions. In any case, political parties that share the same political beliefs and policies should cooperate with each other in overcoming various

obstacles while setting the final conclusion of the political reform as their biggest goal. I believe this is the way to overcome the present difficult situation and meet the people's wishes. I have stated my views.

[Dean of the Press Corps] As dean of the Press Corps, I would like to ask you some questions. The current Diet session has only a few days left, and political parties have begun moving at long last. The opposition Liberal Democratic Party [LDP] formally submitted a no-confidence motion against the Hata cabinet at the Diet this evening. Mr. Prime Minister, how are you going to deal with the no-confidence motion?

[Hata] I have served as prime minister for about two months. Since I took office, I have said things must be done the same day. I, my cabinet members, and other officials have worked together to sincerely tackle tasks facing us every day from early morning to late night. I believe what I have tackled, proposed, and actually implemented deserve the people's approval. I also believe that my cabinet members and I have done our best to meet the people's goals or wishes.

[Dean of the Press Corps] Now, the ruling coalition parties are engaged in policy discussions with the SDPJ. SDPJ Chairman Murayama, however, has said the SDPJ Central Committee has decided to demand a general resignation of the Hata cabinet, and the general resignation of the Hata cabinet is a precondition for the SDPJ to return to the ruling coalition. Mr. Prime Minister, you have just said you would leave the question of your resignation as prime minister to the policy discussions. How do you plan to deal with the SDPJ's demand for the general resignation of your cabinet?

[Hata] As for how to deal with the SDPJ's demand for the general resignation of my cabinet, both the ruling coalition parties and the SDPJ are discussing the question. I believe that I will have an opportunity to discuss the question with Chairman Murayama. I intend to hold frank and sincere talks. I would like you to understand my feelings when I say that I will entrust all the issues, including my future course for political career, to the talks. In any case, I intend to seek to make Chairman Murayama understand my position by telling him that I will leave the question of my resignation as prime minister, and other issues, to the policy discussions.

[Dean of the Press Corps] Sakigake stated today [23 June] that it agreed to the policies presented by the SDPJ, and called for the establishment of an administration headed by SDPJ Chairman Murayama. What do you think of this?

[Hata] Well, I think each has its own view. Therefore, I would like to refrain from commenting on the question. I think Sakigake members have various views. However, when my cabinet was formed, Sakigake stated they would support the cabinet from outside the coalition, and that its position is not that of an opposition party. I will not say anything more about this.

[Reporter] You said you would leave everything, including your future course as prime minister, to the policy talks. I dare to ask you: If the situation concerning voting for a no-confidence motion against the cabinet becomes delicate, do you have any intention of a voluntary cabinet resignation en masse as one option?

[Hata] The question is not whether I have such an intention or not. As I said, I would leave my future to the decision of the policy talks, I believe that a direction will be indicated through future talks.

[Reporter] The SDPJ reportedly has a view that, if the cabinet resigns en masse voluntarily, it will support you, Prime Minister Hata, as the next prime minister. I think, in this case, the resignation en masse itself is a ruse in a bid to take power. What do you think of the SDPJ's idea?

[Hata] I have not yet had direct talks with the SDPJ. Through talks with SDPJ leaders, including Chairman Murayama and Secretary General Kubo, I intend to inform them of my feelings. However, tasks that we have to tackle from now on include: political reform, economic restructuring, tax reform, administrative reform, the Japan-U.S. economic framework talks, the DPRK issue—progress has now been made on this issue—Japan's stance on the Naples summit, and policies toward the agricultural agreement under the Uruguay Round talks. All of these are very difficult issues. I believe it is necessary to form a stable administration to deal with them. I would like to explain my frank views on this point [to SDPJ leaders].

[Reporter] There was an argument within the ruling coalition that it would cope with the political situation by carrying out a drastic cabinet reshuffle. At present, do you rule out this possibility?

[Hata] If I answer the question now, this will please you. However, I intend to convey my views to them at policy talks from now on, while hearing their opinions. As I intend to leave the question of my resignation to the policy coordination talks, I would like to deal with the talks with a clean slate.

[Reporter] I dare to ask you this question. If the future policy talks decide to name Mr. Hata as the next prime minister after the cabinet resigns en masse, would you accept the offer to become the prime minister?

[Hata] I am sorry but I cannot answer the question now. At any rate, this is an issue that will decide the future course of Japan. There will be opportunities for party representatives with various views to talk with each other. Since the discussion on the framework of a new administration are now in progress, I believe a direction will be indicated through this discussion.

[Reporter] Mr. Prime Minister, the LDP says that underlying its presentation of a no-confidence motion against your cabinet is the fact that the Cabinet is a minority, and therefore is not able to meet the people's expectations. What is your view of the LDP's reasoning?

[Hata] On this issue, I want to say that the reason the SDPJ separated from the coalition is not policy matters. As I have stated at Diet sessions, although I regret to say it, the SDPJ separated from the coalition in such a short period due to misunderstanding each other and a matter of wording. Therefore, I realize that the reason for the SDPJ's separation from us is not its sharp conflict over my policies as prime minister. To this day, I have managed the government while sincerely maintaining each of the policies agreed with the SDPJ. Therefore, I believe the SDPJ will be understanding in that respect.

[Reporter] You said you would like to leave everything, including the issue of your resignation, to the decision at the talks. I think what you have said is very important. I want to ask you again what the primary reason is that you have decided so. Also, did you make the decision today?

[Hata] Concerning this issue, well, as I said earlier, the issues that we are facing now, or those we will face in the future, are all very difficult problems. They include political reform, economic reform, which I mentioned earlier, and administration and financial reforms. Administration reform includes decentralization of power. There are also external problems in connection with the Uruguay Round of talks and agricultural agreements. These are really difficult problems. However, no matter how difficult they are, Japan should not avoid them. To make progress in these issues, it is necessary to establish a stable administration. The most important thing is for the government to work to make progress in these issues while seeking again an agreement with others in the process of talks on basic ideals and policies. I decided to leave everything, including the issue of my resignation, today, just before this news conference.

[Reporter] You said you need to establish a strong government to tide over difficulties. But I think it is normal for you to decide to dissolve the House of Representatives for a general election. Why did you not decide so?

[Hata] I did not because I have doubts about the need to dissolve the house now. There is another reason. I attended the meeting of the House of Councillors' Special Committee on Political Reform yesterday and the meeting of the House of Representatives' Special Committee on Political Reform the day before yesterday. As you know, political reform bills cleared the Diet under the former Hosokawa cabinet. But to enforce them, electoral constituencies have to be redrawn. The electoral redistricting panel on new constituency boundaries has submitted to the Diet a list of basic standards for redrawing. While observing Diet deliberations and arguments over the standards, the panel will soon start work to draw new boundaries. I think it is inappropriate to ignore this development and hold a general election under the current medium constituency system.

If the election is held under the current system, the political reform laws, which we have finally enacted, will

mean nothing. The government will not be able to seek cooperation in resolving the issues I mentioned earlier if it avoids carrying out tasks that entail pains. In this context, it is necessary for the government to work out a bill to draw new constituencies based on the panel's recommendation, submit it to the Diet for deliberations, and enact it. I think the election should be held after these tasks have been completed. Otherwise, we will repeat the same thing over and over again.

[Reporter] If a no-confidence motion is submitted to the plenary session and is adopted, will you still choose resignation en masse, not the dissolution of the house?

[Hata] I would like to refrain from answering your question. Anyway, what I have always said is that the Japanese prime minister is not given the veto power as the U.S. President, who uses the power when he wants to kill bills. Therefore, the final resort for the prime minister to confront the Diet is the right to dissolve the House of Representatives. I do not deny the right to dissolve the house. I am just worried that if the election is held not in accordance with the political reform laws despite the fact that we have held much discussion on them, we will repeat the same thing again. Although I do not deny the right, I would like to avoid using it, if possible. Allow me to use the word 'if' in answering your question.

[Reporter] Mr. Prime Minister. You have said that you have not so far made mistakes in running the government and have dealt with issues in all sincerity in the belief that what must be done has to be done the same day. But you said that you have made a decision to leave everything, including your resignation—taking it like a man—to negotiations between the ruling parties and the SDPJ. What is your honest feeling now?

[Hata] Well, looking back, I have suffered considerable criticism. But in the past two months, my cabinet has made great efforts every day to tackle new issues and to seek new policies. From early in the morning—from 7:30 AM or 8:00 AM for example—and almost every day I have attended various councils or meetings. Even with regard to the issue of public utilities charges or the issue of the prices of goods, as well as improving the people's living conditions and creating our nation's diplomatic policies that can win the international community's understanding, I am personally confident that I have taken considerable leadership, and that those who sincerely supported my action appraise what I have done. The issues the government has to deal with are very important. There is the fact—although it was regrettable—that when my cabinet was inaugurated, it failed to take action in concert with the SDPJ, and now my cabinet—it may be inappropriate for me to say my government is fragile—is in a very difficult situation. To settle this issue, I think I should give up my position and leave the matter to negotiations, and then the door to a new course for the government will open.

[Reporter] Mr. Prime Minister, you have said that you hope to form a more stabilized foundation for the government. In connection with bringing new political forces together, there has reportedly been a strong view—particularly within Shinseito—calling for creating a conservatives-conservatives alliance, in addition to another view calling for the SDPJ's return to the ruling coalition. Although you seemed to have been calling for the SDPJ's return to the coalition, what is your view on such a call for forming an alliance with other conservatives?

[Hata] Underlying the call is the hope to form a new group with those who seceded from the LDP. For example, right before I was chosen as prime minister there was a call for forming a group with those led by Mr. Watanabe of the LDP. I think it is alright for us to get along with other conservatives in such a framework. However, I do not mean that I have a hostile feeling against the LDP itself but I honestly felt that if we formed an alliance with the LDP itself, Japan's politics would return to that established in 1955. Although you said there was a call within Shinseito, I think the members of Shinseito had the same feeling. If some members should leave the LDP to work for carrying out new politics, we are ready to frankly talk with them. In this sense, I think forming an alliance with the LDP will lead to bringing Japan's current politics—which is drastically changing—back to that created in 1955. Although I do not fully know what you mean by conservatives-conservatives alliance, this is what I feel about the idea of forming an alliance with other conservatives.

[Unidentified moderator] It is time to conclude the press conference.

[Hata] Thank you very much.

Final Report on Revised Insurance Law Issued

OW2406111694 Tokyo KYODO in English 1050 GMT
24 Jun 94

[Text] Tokyo, June 24 KYODO—A blue-ribbon government panel issued a final report on revision of the insurance law Friday [24 June], easing the way to settlement of the controversial "third-sector" issue in Japan-U.S. trade talks.

The Finance Ministry "should take measures in line with the report" submitted in June 1992 that called for special treatment on the timing for lifting the ban on the sector so as to protect foreign-affiliated and smaller insurance firms, the insurance council said in the final report.

Japan currently allows only foreign-affiliated insurers to sell so-called "third-sector" policies covering casualty, diseases and nursing, that combine the benefits of both life and nonlife insurance policies.

With the 1992 report allowing both Japanese life and nonlife insurers to enter the new sector, U.S. negotiators

have demanded a five-year postponement at ongoing resumed bilateral "framework" talks on the insurance business.

The final report gives Japanese negotiators the flexibility to decide on specific dates as the ministry moves to submit bills next year which would otherwise lead to the implementation of revised laws in the fall of 1997.

The third sector "can become a panel issue which the administrative side alone can't judge," Hiromi Tokuda, chairman of the advisory forum to the finance minister, told reporters.

But uncertainties remain over an agreement in the trade talks as a ministry official, requesting anonymity, said Japan is insisting on lifting the ban in two years and the issue is expected to remain on the table "until the last moment" while an overall agreement on the insurance field is pursued.

The advisory panel has been working on concrete steps based on the earlier report to revise insurance-related laws for the first time in five decades.

As with the third-sector issue, "staged" implementation is the main feature of the final report's 10-point proposals to spur competition through deregulation while taking measures to protect policyholders.

The panel called on the ministry to first liberalize the insurance system, including mutual entry by life and casualty firms into each other's business fields "through subsidiaries," along with "quick legislation" of such measures as "solvency margins" and new management-checking systems to secure "soundness."

The solvency margin is a barometer of assets and risks similar to the capital-adequacy ratio for banks.

As the next stage, the forum wants the government to allow insurance firms to enter banking and other business areas through subsidiaries, after "ascertaining" the effects of the initial stage.

The ministry will submit bills only for the first stage next year, while reserving the second stage, a ministry official said.

As for other issues such as allowing banks to sell insurance policies, the panel decided to continue its discussions.

Other proposed new measures to check management include obliging disclosure under a set law, giving a right even to one policyholder to take representative action at mutual companies, and adopting a "fire wall" between parent firms and subsidiaries.

Japan's life insurers are all mutual companies which policyholders serve as stockholders. But the report paved the way for conversion to joint-stock companies, and also for mutual life insurers to issue bonds to procure funds.

As the mainstay to protect investors, the panel proposed establishing a nonprofit industry company similar to the banking industry's deposit insurance company to aid financially troubled insurance firms.

On deregulation, the forum recommended partial freeing in setting policy premiums and allowing insurance brokering.

Upper House Votes To Open Market for Foreign Lawyers

OW2306141294 Tokyo KYODO in English 1248 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—The Upper House [UH] on Thursday [23 June] approved revisions of a law on foreign lawyers which will ease restrictions on their operations in Japan, allowing them to participate in law firms jointly run with Japanese lawyers.

The law will come into force within a year.

Under the revisions, the employment of Japanese lawyers by foreign lawyers is still not permitted, but Japanese and foreign lawyers will be permitted, under certain conditions, to set up joint practices.

The revisions also ease the strict reciprocity which prevailed till now, allowing the Justice Ministry to use its discretion in accrediting foreign lawyers.

The revisions ease the number of years of experience required to gain accreditation, and allow foreign law firms to operate under their own names in Japan.

The United States and the European Union have criticized restrictions Japan places on the activities of foreign lawyers as against the principle of free competition.

Kakizawa Calls for 'Civilian Rule' in Burma

OW2406043194 Tokyo KYODO in English 0414 GMT 24 Jun 94

[Text] Tokyo, June 24 KYODO—Foreign Minister Koji Kakizawa met with Myanmar [Burma] counterpart Ohn Gyaw in Tokyo on Friday [24 June] and called for an early transfer of power from the military junta to an elected civilian government, Foreign Ministry officials said.

Ohn Gyaw arrived in Japan on Monday for a weeklong stay to attend a meeting of the Environment Congress for Asia and the Pacific (Eco Asia '94) held Tuesday and Wednesday.

Officials said Kakizawa also called for the release of opposition leader Aung San Suu Kyi. The Nobel peace prize winner has been held under house arrest without charge since July 1989.

She led the opposition National League for Democracy (NLD) to a landslide victory in elections in 1990.

But the military junta, which goes by the name of the State Law and Order Restoration Council (SLORC), ignored the result and refused to transfer power to the elected representatives.

SLORC Chairman Gen. Than Shwe reportedly told a Japanese business delegation in Yangon earlier this month that the junta "should not stay in power for a long time" and that it is preparing "democratic foundations" for a civilian government.

Government Largest ODA Donor for 3d Straight Year

OW2406000894 Tokyo KYODO in English 2305 GMT 23 Jun 94

[Text] Tokyo, June 24 KYODO—Japan was the world's largest donor of Official Development Assistance (ODA) in 1993 for the third year in a row, Japanese officials said Friday [24 June].

Foreign Ministry officials, quoting figures released by the 21-nation Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), said Japan's ODA rose 1.0 percent to 11.26 billion dollars.

The United States was second with 9.01 billion dollars, down 16.7 percent, followed by France with 7.90 billion dollars, down 4.5 percent, Germany with 6.85 billion dollars, down 9.7 percent and Italy with 2.91 billion dollars, down 29.4 percent.

But Japan ranked 18th among the 21 nations in terms of the ratio of ODA to gross national product (GNP), standing at 0.26 percent.

The OECD data also showed ODA extended in 1993 by the 21 DAC member nations fell 11.4 percent from the previous year to 54.79 billion dollars, marking the first double-digit fall.

The officials noted most industrial nations, suffering from economic slowdowns, are beginning to lose enthusiasm toward ODA.

Japan, U.S., Europe To Exploit Oil Off Sakhalin

OW2406000994 Tokyo KYODO in English 2308 GMT 23 Jun 94

[Text] Tokyo, June 24 KYODO—A Japan-U.S.-European consortium of five companies signed an agreement Thursday [23 June] with Russian authorities on a project for exploration of undersea oil and natural gas resources off Sakhalin, Russia, Japanese company officials said.

The agreement was signed in Washington by officials from the consortium, the Russian Ministry of Fuel and Energy and the local government of Sakhalin, the officials said.

The consortium comprises Mitsui and Co. and Mitsubishi Corp. of Japan, McDermott Inc. and Marathon Oil Co. of the United States and the Royal Dutch/Shell Group.

They said the consortium will start exploration efforts in a few years, subject to approval by the Russian federal legislature and the local Sakhalin assembly, and start production early in the 21st century.

Surveys have shown the area proposed for exploration has potential deposits of 100 million tons of crude oil and 400 billion cubic meters of natural gas.

Crude oil production from the project, which is expected to cost approximately 1 trillion yen, is expected to amount to a maximum of 180,000 barrels per day.

All the crude oil produced will be exported to Asia, including Japan, while two-thirds of the natural gas will be exported and the rest will be consumed in Russia, the officials said.

Matsushita To Set Up First Sales Unit in China

OW2406123194 Tokyo KYODO in English 1134 GMT
24 Jun 94

[Text] Osaka, June 24 KYODO—Matsushita Electric Industrial Co. will set up two joint sales firms next month, one each in China and Hong Kong, along with a Hong Kong enterprise, the company said Friday [24 June].

The Chinese firm, to be based in Shenzhen, will be Matsushita Electric's first sales unit in China and will be named Panasonic SH Industrial Sales (Shenzhen) Co.

The firm to be set up in Hong Kong will be named Panasonic Shun Hing Industrial Sales (Hong Kong) Co.

The Hong Kong partner, Shun Hing Electric Works and Engineering Co., is the electronic components and factory automation-related equipment sales arm of the Shun Hing Group, which, in turn, is the Hong Kong and Macao general agent for the Matsushita Electric Group.

Both sales firms will be capitalized at 7.5 million Hong Kong dollars, of which 66.7 percent will be provided by Matsushita and the balance by Shun Hing.

The two new companies will sell and service Matsushita electronic components and factory automation-related equipment in Hong Kong, Macao and China's Guangdong Province, starting late next month.

Matsushita expects that the two firms will chalk up 10 billion yen in sales within a few years.

The Hong Kong firm will have a workforce of about 70, and the Shenzhen firm about 20.

Indonesian Minister on Purchase of Ships

OW2206111994 Tokyo KYODO in English 0857 GMT
22 Jun 94

[Text] Tokyo, June 22 KYODO—Indonesian Research and Technology Minister Bacharuddin J. Habibie on Wednesday [22 June] said he has a "clean and clear" conscience on his role in the Indonesian Government's controversial purchase of 39 warships and a related clampdown on the country's media.

"I always can sleep because I have a very clean and clear conscience," Habibie told reporters at a press conference held on the last day of a visit to Japan that began June 12.

The minister's remarks followed a government decision Tuesday to immediately revoke the licenses of three leading magazines—DETIK, EDITOR and TEMPO—for failing to heed previous warnings not to step out of line.

Habibie, a close protege of President Suharto and potential successor, refuted remarks attributed to him that an article in TEMPO about the warship purchase left him unable to sleep for a full day and made him determined to make the magazine "sleep" for the rest of its life.

"What a fantasy," he said. "That remark I have never given and I sleep very well any time if I need to sleep."

The government's purchase of warships used by the former East Germany has been widely criticized as the warships are outdated. Finance Minister Mar'ie muhammad approved only part of the 1.1 billion dollars sought by Habibie for the purchase and local refit of the ships.

NTT Purchases From Foreign Firms Up 20 Percent

OW2406120994 Tokyo KYODO in English 0942 GMT
24 Jun 94

[Text] Tokyo, June 24 KYODO—Nippon Telegraph and Telephone Corp.'s purchases of equipment from foreign companies in fiscal 1993 ended last March were up 20.4 percent from the previous year to 119 billion yen, the telecommunications giant announced Friday [24 June].

On a dollar basis, such purchases increased 39.3 percent to 1,092 million dollars.

NTT's procurement from abroad accounted for 16 percent of its total purchases in the fiscal year under review, the company said, with those from U.S. firms making up 93 percent.

Among U.S. equipment purchased by NTT were digital exchanges, optical-fiber cables and personal computers, it said.

Mieno: Intervention 'Alone' Not To Stem Yen Uptrend

OW2406065794 Tokyo KYODO in English 0630 GMT
24 Jun 94

[Text] Tokyo, June 24 KYODO—Market intervention alone will not help the yen to stop its uptrend against the dollar, Bank of Japan Governor Yasushi Mieno said Friday [24 June], while repeating concerns over the yen's rise on the recovering economy.

"How to guide the economic fundamentals is the most important," Mieno said, citing the huge trade surplus as the key factor for Japan in hinting why the Group of Seven major nations are not taking joint moves as it did in May.

In making a speech and answering questions at the National Press Club, Mieno said Japan's huge current account surplus "often" surfaces as a major factor behind the yen's rise, and measures to correct this is "the most important."

His comments came after the dollar plunged in New York Tuesday to hit a new global low of 99.85-95 yen. It is now moving nervously around 101 yen with dealers saying that the market is testing an accord among Group of Seven (G-7) major nations to act jointly to stem excess currency volatility.

But unlike the joint G-7 intervention taken in May when the dollar tumbled near to fall below 100 yen, they said the Bank of Japan has acted alone to defend the dollar's fall against the yen.

In a disappointing U.S. move for market participants, U.S. Treasury Secretary Lloyd Bentsen issued a statement Wednesday, only saying, "we continue to be in close communication with our G-7 partners, and we continue to be prepared to act as appropriate."

Mieno also said he is watching currency movements with great concern and will take "appropriate and timely actions in close contact with other G-7 nations."

The central bank chief reiterated that the yen's rise is one of the key risk factors for the recovering economy, and noted that the stronger yen first brings "near-term demerits" on exports although there are benefits on import prices in the longer run.

The yen's rise makes Japanese products expensive overseas and foreign goods cheaper in Japan.

On the economy, Mieno said in his speech it has "moved one step" forward, and in answer to questions, that it is "steadily moving" toward a recovery.

The recent improvements are supported by a background that is different from that prevailing at the same time last year, when the economy fell back toward the summer after showing signs of recovery, he said.

Mieno cited recovering corporate earnings, progress in restructuring efforts, and improving economies abroad as the main differences with last year.

Considering risks aside from the yen's rise, Mieno pointed out still-tough conditions of corporate capital investment and labor, and said more time is needed for adjustments.

He also expressed concern over emerging competition from other Asian nations and former communist countries, deriving from the yen's rise and favorable conditions in the labor-intensive field.

Against this backdrop, Mieno said that macroeconomic measures should continue to serve as a "cushion" against still-tough conditions, primarily by supporting personal and corporate spending.

On long-term interest rates, the central bank chief said the recent rises reflect market sentiment about the economy, but market players should take more carefully into consideration "both good and bad indicators" yet expected to appear.

Long-term rates should settle at levels reflecting the state of the economy, he said.

Mieno Sees 'Bright Signs' of Economic Recovery

OW2406050594 Tokyo KYODO in English 0430 GMT
24 Jun 94

[Text] Tokyo, June 24 KYODO—Bank of Japan [BOJ] Governor Yasushi Mieno said Friday [24 June] the possibility is high that Japan's economy has begun moving toward a recovery.

Speaking at the National Press Club of Japan, the central bank chief pointed to emerging bright signs on the economic horizon in a remark following his past comments on the state of the economy.

Mieno went on to say that corporate activities seem on a recovery path, citing an improvement in personal spending in some categories and increasing exports.

As for the yen's recent surge that saw it shoot past the 100 to the dollar level, Mieno said he has serious concern about foreign exchange rates and noted that he will take appropriate action whenever needed while keeping close contact with other group of seven industrialized nations.

He said the yen's sharp appreciation should help promote an industrial shakeup in Japan.

On corporate investment, one of the main driving forces of the economy, Mieno said that it would take time to see corporate investment in plant and equipment pick up because adjustments to past excessive investment remain.

Mieno apparently made the comment in view of the nation's gross domestic output for the January-March quarter announced Tuesday, which showed the economy

growing at an annual rate of 3.9 percent, or the best performance in three years, on the strength of personal spending and not corporate investment.

BOJ Projects 1.8 Trillion Yen Surplus in Money Market

*OW2406043394 Tokyo KYODO in English 0409 GMT
24 Jun 94*

[Text] Tokyo, June 24 KYODO—The money market is expected to see a 1.8 trillion yen net liquidity surplus in July, excluding government bond issuance, the Bank of Japan [BOJ] said Friday [24 June].

The amount will be up from the 1.63 trillion yen surplus posted last July, the central bank said.

The return of cash into the banking system following payments of summer bonuses in June is projected to generate a net 600 billion yen cash inflow, compared with 678 billion yen last July.

Together with the cash inflow, a net 1.2 trillion yen inflow of treasury funds is forecast to put the overall net surplus at 1.8 trillion yen. The fiscal inflow was 958 billion yen in July 1993.

The balance of outstanding bank of Japan notes is predicted to rise 4.9 percent year on year at the end of July.

Redemptions of government bonds are expected to create a net inflow of 2.66 trillion yen into the money market, down from 3.35 trillion yen a year before, while collection of withholding tax is projected to prompt a fiscal outflow of 4.21 trillion yen compared to a 4.96 trillion yen in July last year.

BOJ on Slow Personal Savings Growth, Rising Balance

*OW2406124394 Tokyo KYODO in English 1112 GMT
24 Jun 94*

[Text] Tokyo, June 24 KYODO—Personal savings continued growing slowly amid lower incomes and interest rates, with the end-March outstanding balance rising 4.8 percent from a year earlier, the Bank of Japan [BOJ] said Friday [24 June] in a preliminary quarterly report.

The balance came to 882.44 trillion yen, an increase of 3.23 trillion yen in the January-March quarter, compared with the 2.56 trillion yen gain for the same period a year earlier, the central bank said.

The 4.8 percent yearly growth was marginally higher than a record low growth of 4.7 percent at the end of the previous October-December quarter.

The March figure brought to an end the eight-straight-quarter streak of slower growth, a bank official said.

But it is still hard to say if the trend has turned upward, the official said, noting the growth remained relatively small, compared with the 6.6 percent annual increase at the end of March 1992 when the current weak trend began.

Asked about the outlook for the April-June period, the official said only that the balance may not decline further but is also unlikely to grow rapidly.

The balance of personal savings at banks rose 3.6 percent from a year earlier to 215.85 trillion yen with a decrease in the reporting quarter of 1.94 trillion yen, compared with the year-earlier fall of 2.63 trillion yen.

The postal savings balance rose 7.7 percent to 183.10 trillion yen with a quarterly increase of 2.22 trillion yen, down from a 3.01 trillion yen increase the previous year.

Savings in products offered by trust banks declined 20.1 billion yen during the first quarter of 1994, compared with a 295.4 billion yen rise a year earlier, while the balance grew 3.3 percent to 49.67 trillion yen.

Investment in public and corporate bonds gained 1.6 billion yen, up from the year-earlier decline of 2.43 trillion yen, but the balance posted a 3.4 percent fall to 39.51 trillion yen.

Investment trusts dropped by 1.05 trillion yen, compared with the 1.02 trillion yen fall a year earlier, and the balance declined 6.9 percent to 34.27 trillion yen.

The balance of insurance savings climbed 8.7 percent to 204.70 trillion yen with an increase of 4.58 trillion yen in the quarter, down from the year-before 5.30 trillion yen gain.

MOF To Cap FY '95 Budget Request Ceiling

*OW2306140994 Tokyo KYODO in English 1236 GMT
23 Jun 94*

[Text] Tokyo, June 23 KYODO—The Ministry of Finance [MOF] plans to curb growth in budget requests for fiscal 1995, with general operating expenditures for policy implementation being cut by 10 percent from the previous year, ministry sources said Thursday [23 June].

As the long-overdue state budget for fiscal 1994 was finally approved by the Diet earlier in the day, the ministry started work on setting the ceiling for next year's budget requests from government ministries, agencies and related sectors.

The ceiling is likely to be announced sometime in July, the sources said.

They said the ministry expects the government's fiscal position to remain tight next fiscal year, starting April 1, 1995, as revenues from corporate taxes are likely to decline amid the continued recession.

The balance of government bonds, expected to top 200 trillion yen at the end of next March, will also keep the ministry tight-fisted, they added.

They said the ministry plans to set a 10 percent cut in general operating spending earmarked for policy objectives from the budget ceiling for the current fiscal year.

It will be the 12th straight annual cut in the general operating outlays minus expenses such as personnel expenses, investment expenditures and spending for Official Development Assistance (ODA).

In addition, the ministry plans to curb government subsidies and review allocations of public-works investment to avoid criticism that it has become inflexible in budget appropriations.

Aside from the budget ceiling, the ministry wants to circulate a request in government ministries and agencies to cut in principle office expenses by around 10 percent each, the sources said.

In allocating public-works investment, the ministry will put emphasis on construction projects for housing, sewage and public parks. But spending on projects for industrial infrastructure will be tightened, they added.

The ministry wants to curb growth in expenditure on public-works investment itself, but has not decided on the matter because of opinions that such spending should be increased to stimulate the economy.

In fiscal 1994, the budgetary ceiling on public-works investment was increased by 5 percent from the previous year.

The ministry, meanwhile, plans to set separate-account spending on agricultural projects in fiscal 1995, as Japan partially lifted a rice import ban in line with the agreement in December 1993 of the Uruguay Round of world trade talks under the General Agreement on Tariffs and Trade (GATT), the sources said.

Fujii Refuses To Give Details on Planned Tax Hike

OW2406033294 Tokyo KYODO in English 0319 GMT 24 Jun 94

[Text] Tokyo, June 24 KYODO—Finance Minister Hirohisa Fujii on Friday [24 June] shunned calls for specific figures and dates on a consumption tax hike to offset income tax cuts in a planned tax reform.

"As financial authorities, we want a conclusion that will not lead to untreated issuance of deficit-covering bonds," Fujii told reporters after a cabinet meeting.

But, apparently backing off from recent comments he made directly urging specific figures and dates, Fujii did not elaborate on reported discussions between the coalition parties and the Social Democratic Party (SDP) to put off the decision on the scale and dates for the tax hike.

The proposed offsetting tax hike has become the controversial policy issue for the SDP considering returning to the coalition government which fell to a minority rule after the party seceded from the coalition in late April.

The tax reform plan of continuing tax cuts and hiking the consumption tax was proposed separately on Tuesday by panels of the government and the ruling parties without figures and dates for later political decision.

Meanwhile, Fujii also checked top-level political developments by urging the tax reform be made into bills by the end of this month to enact into law by the year-end.

"We must keep the deadline," he said, referring to Japan's promise made in the March market-opening package.

Turning to currency exchange rates, Fujii described the statement by U.S. Treasury Secretary Lloyd Bentsen as "meaning heavy."

The statement, issued Wednesday, a day after the dollar plunged against the German mark and the yen, said, "we continue to be in close communication with our G-7 (Group of Seven) partners, and we continue to be prepared to act as appropriate."

Asked why the United States is not jointly intervening as it did in May, Fujii said, "we are taking all possible measures at every level."

The U.S. dollar tumbled below 100 yen in New York on Tuesday for the first time in the postwar period to hit a global low of 99.85- 99.95 yen. It is now trading nervously around 101 yen with dealers saying that the market is testing the G-7 accord for joint moves to stem excess volatility.

They said the Bank of Japan alone has made noticeable intervention against the yen's rise.

Numbering System for Taxpayers by 2001 Proposed

OW2306141594 Tokyo KYODO in English 1311 GMT 23 Jun 94

[Text] Tokyo, June 23 KYODO—The Social Democratic Party (SDP), poised to rejoin the ruling coalition, is proposing the introduction of a numbering system for Japanese taxpayers by 2001 as part of national tax reforms, SDP sources said Thursday [23 June].

The SDP, which split from the coalition in April in protest at maneuverings by its partners to create a new Diet bloc excluding the party, is moving to rejoin the fold.

The sources said the numbering system would facilitate fair combined taxation and plug tax loopholes.

The SDP proposal, which also calls for increased contributions from the national treasury for basic pensions,

gives more emphasis to fairer taxation and public welfare measures than similar proposals by the government's tax commission and a coalition panel.

The proposal will be discussed at policy consultations on Friday morning between representatives of the SDP and member parties of the ruling coalition, the sources said.

Sharp differences on tax reforms remain, however, between the SDP and the ruling parties over the extent of a raise in the consumption tax from the present 3 percent and other issues, they said.

Government Rejects Excess Plutonium Possession

*OW2406062694 Tokyo KYODO in English 0542 GMT
24 Jun 94*

[Text] Tokyo, June 24 a government panel on Friday [24 June] approved a long-term plutonium use program that rules out the manufacturing and possession of plutonium in a greater amount than needed for its nuclear power generation, officials said.

The peaceful plutonium use program received approval by the Atomic Energy Commission, the nation's highest nuclear policy-formulating panel, headed by Science and Technology Agency Director General Mikio Omi, they said.

To this end, the committee decided to defer a plan to start the operation of a projected second plutonium extraction plant until after 2010, when it was originally scheduled to start up. The second plant is only on the drawing board, with its construction site undecided.

Completion of the second extraction plant would increase Japan's plutonium production capability beyond that of an extraction plant now under construction at the village of Rokkasho in Aomori Prefecture, they said.

The Rokkasho factory is Japan's first plutonium extraction facility that will start producing plutonium in 2001.

The officials said the new program was officially adopted to eliminate international anxieties that Japan may divert excess plutonium into atomic weapons production.

On top of its compliance with safeguards obligations to accept regular, unimpeded checks by international atomic energy agency monitors, Japan will never exchange nuclear technologies with countries other than Britain, France, Germany and the United States to prevent nuclear arms proliferation, the report says.

The report, adopted by the commission Friday, says the government will make policy decisions around 2010 concerning the extraction capacity and technology for use in the planned second extraction plant.

The program calls for burning plutonium from Japan's existing nuclear reactors at a few light water-type nuclear

reactors for electricity generation, starting in the latter half of the 1990s, the report says.

Japan now entrusts British and French extraction plants with extracting plutonium from its nuclear reactors.

The number of light water-type nuclear reactors that will use plutonium as part of its fuel will be increased to more than 10 by 2010 to consume an increased amount of plutonium coming from the Rokkasho plant, it says.

However, Japan will not scrap its basic nuclear policy of counting on "nuclear fuel cycle" for its future electricity needs, the report says.

Nuclear fuel cycle refers to electricity-generation use of plutonium extracted from spent fuel rods downloaded from a nuclear reactor that is energized by enriched uranium.

In line with this basic stance, Japan will start building a "demonstrator" fast-breeder reactor (FBR) with the power generation capacity of 660,000 kilowatts at the onset of the 21st century, they said. It will be followed by construction of another FBR to be put into commercial use by 2030, they said.

The FBR, which generates electricity by burning plutonium, is known to produce more plutonium than it consumes.

The new decision to defer the planned operation of a second plutonium extraction plant will force Japan to store spent nuclear fuel downloaded from various reactors inside the premises of various nuclear power plants, the report says.

While storing the spent nuclear fuel in the nuclear plants for the time being, Japan will consider how to more effectively store the spent nuclear fuel that will accumulate in coming years, according to the report.

ASDF Makes 'Debut' in Pacific Rim Exercise

*OW2206024694 Tokyo KYODO in English 0206 GMT
22 Jun 94*

[Text] Honolulu, June 21 KYODO—Japan's Air Self-Defense Force (ASDF) made its debut in the U.S.-led five-nation Rim of the Pacific Exercise (Rimpac) this year, sources familiar with the military drills said Tuesday [21 June].

Two ASDF officers joined the exercise to train in sea-based aerial warfare under U.S. Navy guidance, the sources said.

The large-scale joint military drills of the United States, Japan, South Korea, Canada and Australia were conducted this month in the Pacific Ocean between the Hawaiian and the Midway Islands.

More than 200 aircraft and 50 naval ships, including, for the first time, the largest Japanese destroyer Kongo equipped with the Aegis air defense system participated in the drills.

The sources said ASDF officers have never before undergone training during a Rimpac maneuver. In the framework of bilateral defense cooperation with the U.S., closer links are needed between the armies, navies and air forces to realize "the desired comprehensive joint strategy," they said.

The participation of ASDF personnel "This time was the first strategic move to realize that goal," the sources said.

The officers were acting as "ambush control officers" aboard the Kongo, guiding Japanese fighter aircraft by radar to intercept "enemy" combat planes.

Under guidance of a U.S. Navy expert, the two officers studied how to control and direct the dispatch of fighters from aircraft carriers and the launching of ship-to-air missiles, the sources said.

The Kongo, equipped with the latest radar technology, is the MSDF's most advanced combat vessel.

In the past, the training of ASDF personnel aboard U.S. aircraft equipped with the AWACS (airborne warning and control system) during joint military exercises with the U.S. has sparked protests from defenders of Japan's postwar Constitution, which bans the use or threat of force to settle international disputes.

They said such training conflicts with the widely accepted view that the Constitution rules out collective defense.

Panel Approves 21 Items for Deregulation

OW2406023794 Tokyo KYODO in English 0226 GMT 24 Jun 94

[Text] Tokyo, June 24 KYODO—A government panel led by Prime Minister Tsutomu Hata on Friday [24 June] gave the go-ahead on 21 items for deregulation, including making it easier to get a driving license for large motorcycles, officials said.

The items approved by the office of market access will be included in a deregulation plan to be announced next week in line with the market-access scheme unveiled by the government in March.

The government will try to include specific deadlines for each item as much as possible, the officials said.

The easing of procedures to obtain a license for motorcycles with displacement volumes of 400 cc or greater has been requested not only by domestic manufacturers but by U.S. companies as well.

Friday's approval by the office came in response to an earlier submission of the 21 deregulatory proposals by the Market Access Ombudsman Council, led by Yoshio

Okawara, a former ambassador to the United States and currently a Foreign Ministry adviser.

The Office of Trade and Investment Ombudsman, a system under the Economic Planning Agency, is composed of the Market Access Ombudsman Council and the decision-making Office of Market Access.

Starting in fiscal 1996 that begins in April of that year, the license can be obtained at driving schools instead of having to go to offices of prefectural public safety commissions.

Other deregulatory measures include easing rules on auto inspection and on specifications related to clothing.

MPT on Freeing Investment of Postal Savings Funds

OW2406084294 Tokyo KYODO in English 0827 GMT 24 Jun 94

[Text] Tokyo, June 24 KYODO—The government should in principle give the postal savings system full discretion over the investment of postal savings funds, a study group for the Ministry of Posts and Telecommunications [MPT] said Friday [24 June].

The proposal takes aim at the existing rules that require a large portion of the funds to go to the Finance Ministry's Trust Fund Bureau which uses it to finance public works projects, a practice that results in a limited return.

Under an agreement between the two ministries, the remaining portion of the funds is invested largely in public bonds at the postal ministry's discretion.

The study group, in a report presented to the director general of the Postal Savings Bureau, said the government should shift its policy on postal funds from the current rigid one to one allowing the Postal Ministry basic discretion over how to invest the funds.

It said the amount of postal savings funds to be entrusted to the Trust Fund Bureau should be determined on the basis of funding needs for public works projects instead of entrusting all of the funds to it first.

Among other proposals, the report gives high marks to one put forward by some economists that public entities issue bonds for postal savings funds instead of borrowing funds from the Trust Fund Bureau as at present.

The Trust Fund Bureau lends such funds using postal savings funds entrusted by the Postal Ministry.

The report is in line with a persistent call from the Postal Ministry to the Finance Ministry to expand the scope of its discretionary investment of postal savings funds.

But the report has drawn a quick, cool response from the finance ministry. "It embodies the desire of the postal

savings system to become a huge institutional investor. Nobody will understand it," a Finance Ministry official said.

In fiscal 1993, that ended March 31, postal savings funds subject to the Postal Ministry's discretionary investment totaled 4.75 trillion yen.

The sum of such funds is to increase to 5 trillion yen from fiscal 1994 through 1996 under an agreement already reached between the two ministries.

North Korea

Kim Il-song Quoted on IAEA, Sanctions, N-S Talks

SK2206154794 Pyongyang KCNA in English 1532 GMT 22 Jun 94

[Text] Pyongyang. June 22 (KCNA)—A meeting took place here today to mark the 21st anniversary of the publication of "Let Us Prevent a National Partition and Reunify the Country", a work of the great leader President Kim Il-song.

The meeting was attended by Pak Song-chol, member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and vice-president, Yang Hyong-sop, alternate member of the Political Bureau of the C.C. [Central Committee], WPK and chairman of the Supreme People's Assembly, and working people in the city.

On June 23, 1973, immediately after the South Korean rulers published a "special statement" announcing the creation of "two Koreas" as their "policy", President Kim Il-song put forth the five-point policy of national reunification as a revolutionary measure decisively to smash the permanent nation-splitting moves of the U.S. imperialists and their stooges and open an epochal phase of national reunification.

The great leader President Kim Il-song has said:

"Our proposal is to remove military confrontation and ease tension between the North and the South, bring about multilateral collaboration and interchange between the two parts, convene the great national congress composed of representatives of people of all levels and political parties and social organizations in the North and South, institute the North-South confederation under the single name of the Confederal Republic of Koryo and enter the UN under that name. When this proposal for the country's reunification is put into effect, there will be a great improvement in accomplishing the historic cause of peaceful national reunification on the principle of the North-South joint statement, as commonly desired by our people and the world's people."

In his report at the meeting Paek Nam-chun, director of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland, said the five-point policy of

national reunification laid down by the great leader was a patriotic reunification formula most correctly reflecting the unanimous aspirations and will of all the fellow countrymen who desired a peaceful reunification of the country and opposed a permanent division of the nation, and an immortal militant banner which set forth a broad vista and way of national reunification and roused vigorously the entire people to the struggle to realize it.

"It is entirely because of the 'two Koreas' policy of the United States and the successive South Korean authorities that the five-point policy of national reunification has not been implemented, though it evoked welcome and full support of the entire Korean people and the world's peaceloving people for its fair and reasonable nature," he said.

The reporter pointed out that in recent years the United States and its followers have been increasing the tensions on the Korean peninsula and creating graver obstacles in the way of Korea's reunification by inventing the "nuclear issue" of the DPRK.

Recalling that the DPRK Government took a decisive measure of declaring its immediate withdrawal from the International Atomic Energy Agency [IAEA] in face of unjustifiable moves of the IAEA Secretariat, he said this is a legitimate self-defence measure and "an expression of our people's firm stand and will not to bow to any pressure."

It is not allowable to live in uneasiness, exposed to the danger of an unpredictable nuclear war on top of the tragedy of national division, the reporter said, and continued:

The United States must no longer seek "sanctions" against the DPRK but come out to the DPRK-U.S. talks with a sincere attitude and stand for a peaceful solution to the nuclear issue of the Korean peninsula, in compliance with the aspiration of the time and the demand of the Korean and U.S. peoples.

We believe that the visit to Pyongyang by a former U.S. President a few days ago will produce an affirmative result.

The Japanese reactionaries must renounce the hostile policy toward the DPRK they have pursued, motivated by a foolish intention to realise their old dream of "the greater east Asia coprosperity sphere."

They must ponder over the consequences to be entailed by their moves against the DPRK and the General Association of Korean Residents in Japan (Chongnyon), honestly apologize for all the crimes committed so far and punish the criminals.

"Sanctions" against the North are immediately sanctions against the South and a declaration of war to the 70 million Koreans.

The South Korean authorities must renounce the policy of dependence on outside forces, take the stand of national independence, give up the policy of confrontation between the fellow countrymen and seek national concord and unity.

It is our consistent position to meet with anyone who truly wants the independent and peaceful reunification of the country from the stand of great national unity and national independence and jointly seek the way of the peace and peaceful reunification of the country.

The premier of the DPRK Administration Council, thinking it lucky that the South Korean side expressed its readiness to hold top-level talks with the North, sent a message today upon authorization to the South Korean "prime minister," expressing welcome and agreement to the South side's proposal for holding a preliminary contact for the North-South top-level talks.

I express support to it in the name of the participants in this meeting, considering that it reflects the consistent position and policy of our side to remove confrontation between North and South and open a new phase for national reunification independently and peacefully through top-level talks.

Paek Nam-chun called on all the Koreans at home and abroad to brilliantly adorn 1995 as the proud year of national reunification, the significant year marking the 50th anniversary of national liberation and the historical year that our nation set as the first year of reunification, under the banner of the 10-point programme of the great unity of the whole nation.

'Military Pressure' From U.S. Forces Decried

SK2406045294 Pyongyang KCNA in English 0423 GMT 24 Jun 94

["Adventurous Arms Buildup"—KCNA headline]

[Text] Pyongyang, June 24 (KCNA)—Some time ago, the U.S. Senate adopted a resolution urging the reinforcement of the U.S. forces and fighter planes present in South Korea and the dispatch of an aircraft carrier combat unit around it. Earlier, the U.S. Defense Department declared that it would send reinforcements of mobile strike force to South Korea and its surroundings.

Commenting on this, NODONG SINMUN today says: The attempt of the hardline conservative forces in the United States to put military pressure on us, while hastening arms buildup, shows that they are not interested in a peaceful solution to the nuclear issue on the Korean peninsula but intend to stifle the DPRK with "strength".

They are persistently working to carry the situation of the Korean peninsula to an extreme phase and putting pressure on those calling for a solution to the nuclear issue on the peninsula through dialogue and negotiation.

It is a unanimous demand of the world people to solve this issue through dialogue and negotiation. A military option cannot be a way of solving it.

If the way of solving the nuclear issue on the Korean peninsula through dialogue and negotiation is blocked by the reckless military pressure campaign, the consequences will be unpredictable.

The U.S. hardline conservative forces must act with discretion, coolly looking into the reality.

KCNA Reports 21 Jun U.S. 'Aerial Espionage'

SK2306060294 Pyongyang KCNA in English 0441 GMT 23 Jun 94

[Text] Pyongyang, June 23 (KCNA)—The U.S. imperialists committed an aerial espionage on the DPRK by bringing an overseas-based RC-135 strategic reconnaissance plane to the sky of South Korea on June 21, military sources said.

The provocative aerial espionage was part of their premeditated war preparations against the DPRK.

Meanwhile, overseas-based pursuit-assault planes, VTOL [vertical takeoff and landing] assault planes and early warning planes held a surprise bombing exercise in the skies above Yongwol, Pyongchang and Asan Bay in cooperation with scores of warplanes belonging to the U.S. Air Force present in South Korea.

On the same day, a formation of Pacific-based KC-135 tankers were deployed in a U.S. Air Force base in South Korea.

Facts prove the U.S. imperialists are persistently seeking confrontation and war, going against peace and detente.

KCNA Cites Foreign Media on Carter's Visit

SK2406102194 Pyongyang KCNA in English 1007 GMT 24 Jun 94

[Text] Pyongyang, June 24 (KCNA)—Foreign news media reported news of the visit to the Democratic People's Republic of Korea by former U.S. President Jimmy Carter.

Showing a scene of the great leader President Kim Il-song talking with Carter, Swedish TV June 16 stressed it is only President Kim Il-song, the great leader of the Korean people, who could have a decisive influence in solving the crisis created on the Korean peninsula surrounding the nuclear issue.

President Kim Il-song expressed optimism about the prospect of solving the crisis surrounding the Korean peninsula, the TV reported.

On the same day, Norwegian TV said only President Kim Il-song could indicate the way of solving the present crisis of the Korean peninsula.

The Italian paper LA STAMPA spotlighted a picture the great leader had taken with Carter and said a heated atmosphere between Pyongyang and Washington was removed after President Kim Il-song received Carter for hours.

Noting that Carter described his Pyongyang visit as a fruitful visit which brought about an important progress, the paper said this was a good news for the United States when the U.S. plan of "sanctions" against North Korea virtually touched off strong reaction in the United Nations and Washington was in a difficult position.

XINHUA News Agency June 18 quoted Carter as telling President Kim Il-song that the United States has stopped its activity for "sanctions" against the DPRK.

The Danish Central Radio June 17 said Carter visited North Korea with a mission of solving the nuclear issue of the Korean peninsula.

Carter told that the United States would begin a new negotiation with North Korea and was ready to openly declare the non-use of nuclear weapons against North Korea, the radio said.

The Chinese PEOPLE'S DAILY June 20 quoted Carter as saying at a press conference in Seoul on June 18 that establishment of diplomatic relations between the United States and North Korea will be useful in promoting understanding and exchange between the two countries.

Carter said if talks are held, they should shift from "sanctions" to the third-round talks and stop urging "sanctions" at the UN Security Council from this point of view, the U.S. Radio Voice of America reported June 20.

The radio also quoted Gallucci as saying he hopes the U.S. Administration will continue following the content of talks between Carter and President Kim Il-song at this point.

The Japanese NIHON KEIZAI SHIMBUN June 18 said the Clinton administration began to move toward full resumption of the U.S.-DPRK dialogue after President Kim Il-song received former President Carter twice.

The United States manifested its stance actually not to call in question the past "nuclear development issue" of North Korea but solve the issue between the two countries, excluding the International Atomic Energy Agency, the paper wrote.

It can be said that the U.S. Administration took the hand held out by President Kim Il-song in the last moment without delay, added the paper.

CPRF Memorandum on ROK Nuclear Development

SK2406040194 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 23 Jun 94

[Text] A news conference was held at the People's Cultural Palace yesterday [23 June] in connection with the South Korean authorities' maneuverings for nuclear weapons development. Participating in the news conference were reporters from the publication and media organizations in Pyongyang, such as NODONG SINMUN, the KOREAN CENTRAL NEWS AGENCY, the Korean Central Broadcasting Committee; foreign correspondents; and publication-related functionaries at various foreign embassies in our country.

At the news conference, Ho Hyok-pil, vice director of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF], first of all, issued a memorandum of the CPRF exposing the truth that nuclear weapons development has been pushed for in South Korea. The memorandum pointed out that South Korea has accelerated nuclear weapons development in a planned way and systematically abrogated the joint declaration on denuclearization, while possessing reprocessing facilities, and extracting and bringing in plutonium in an illegal way.

The memorandum pointed out as follows that South Korea's post-irradiation test facilities [chosahu sihom sisol] are reprocessing facilities disguised as experimental ones: Although South Korea is disguising the post-irradiation test facilities in Taedok as peaceful atomic facilities, it can be confirmed by all data that they are reprocessing facilities. Above all, the post-irradiation test facilities have been built for reprocessing purposes. The post-irradiation test facilities are reprocessing facilities of extracting plutonium in terms of their structure and operational process.

South Korea is extracting plutonium directly from spent nuclear fuel by making use of post-irradiation test facilities. According to obtained data, the South Korean authorities extracted plutonium after taking 4 meter-long 2,148 nuclear fuel rods, 12 bundles, to the post-irradiation test facilities at the atomic research center from the Kori No. 1 Power Plant alone on 24 May, 1985, in accordance with an agreement with the United States.

Nuclear material is being diverted in an undisguised way in South Korea. In cahoots with the International Atomic Energy Agency [IAEA], the South Korean authorities have systematically reprocessed, and extracted huge amount of plutonium every year from, spent nuclear fuels—which they did not burn completely at, and extracted from, the heavy-water reactor and multi-purpose research reactor—after taking those fuels to the post-irradiation test facilities. The total amount of it is 50 kg according to the data—which have been rudimentally obtained—alone.

The memorandum pointed out that South Korea is trying to legalize the introduction of plutonium from abroad and bring it in in large quantity. The memorandum pointed out as follows that the South Korean authorities have created artificial obstacles to the implementation of the joint declaration of the denuclearization of the Korean Peninsula, which the North and South sides adopted and effectuated, reflecting the unanimous aspirations and wishes of all countrymen: The present South Korean authorities have launched maneuverings of abrogating the North-South joint declaration of denuclearization in a planned and systematic way. Meanwhile, they are even advocating the theory of nuclear sovereignty and that of counter-nuclear development [taeung haekgaebalnon].

The South Korean authorities ought to scrap the post-irradiation test facilities—the reprocessing facilities—while making public the plutonium which they have illegally obtained.

We present—and strongly protest against—to the above-board public opinion of the world the fact that the IAEA is applying a double standard.

He made remarks on the issuance of the memorandum. He said that the Board of Governors of the IAEA adopted a resolution on 10 June for discontinuing the agency's cooperation with our Republic, adding that this is a wanton infringement upon our Republic's sovereignty, an unfair act, and an integrated expression of the agency's application of a double standard.

He pointed out that those who have pushed for nuclear armament [haekmujanghwa] on the Korean Peninsula are the South Korean authorities.

He laid bare that the post-irradiation test facilities in the Taedok Complex in South Korea are extracting plutonium from those facilities, while saying that they are the reprocessing facilities of extracting plutonium in a thorough-going way in view of the purpose of their introduction, structure, and of the process of realistic diversion.

He also pointed out that South Korea has illegally brought in huge amount of plutonium from abroad, exposing that it is applying spurs to the development of a fast-breeder reactor today to make its introduction of plutonium legal.

He stressed: Nonetheless, the IAEA has never taken issue with this. We bring a charge against the agency's unjustness to the public opinion of the world.

At the news conference, Vice Director Ho Hyok-pil and (Paek Hyon-su), a responsible researcher for the fatherland's reunification, answered the questions raised by reporters.

They said that South Korea, which is said to undergo the IAEA's inspections, is extracting plutonium through the post-irradiation test facilities, adding: The IAEA has conducted more than 2,000 cases of inspections on the average every year since the Nonnuclear Proliferation

Treaty took effect. This notwithstanding, the agency has never exposed even a single case of the nuclear materials being used for military purposes.

They said: In particular, the IAEA has conducted nuclear inspections of South Korea. But, it has turned its face away from South Korea's nuclear weapons development and even from its introduction of nuclear raw materials [haek wollyo].

They stressed: The South Korean authorities have intentionally publicized to the public that all of their attempts for nuclear weapons development up until now have been given up. This is nothing but a smoke screen to cover up their nuclear armament.

They disclosed: The world's social circles strongly call for exposing, and taking issue with, the maneuverings for nuclear armament in South Korea. Because even those inside South Korea have begun exposing the authorities' maneuverings for nuclear weapons development since last year, the South Korean authorities have been put in an awkward situation and have placed the public opinion under their sway in a deceitful way with a view to coping with this.

They pointed out in a concrete way: Because their development of a fast-breeder reactor has faced strong protests and denunciations at home and abroad, the South Korean authorities are trying to bring in plutonium by any means [kioko] under the pretext of developing an improved light-water reactor; and have invited an agency team for inspections and safety examination to cover up their relations of conspiracy with the IAEA and to continue to apply spurs to their nuclear armament behind the scenes of conspiracy.

In conclusion, they said emphatically: It is necessary to raise the voice of justice, on a worldwide scale, of denouncing the South Korean authorities' maneuverings for nuclear weapons development.

KCNA Denounces 'War Hysterics' of 'Traitor'

*SK2306060194 Pyongyang KCNA in English 0459
GMT 23 Jun 94*

[“War Hysterics Carried Into Extremes”—KCNA headline]

[Text] Pyongyang, June 23 (KCNA)—The traitor Kim Yong-sam called together “directors of non-economic ministries and agencies of the ‘government’” at “Chongwadae” on June 20 and told them that “strength must be built up, if peace is to be maintained,” according to a radio report from Seoul.

On the same day, the traitor Kim Chong-pil, chairman of the “Democratic Liberal Party” of South Korea, showed up at a puppet army unit in the frontline area and cried “the alert posture must not be slackened a moment”.

And he let loose a bellicose blast, driveling "if a war broke out again, I will fight on the front even as a private second class."

This fully shows that the war hysterics of the Kim Yong-sam group has been carried into extremes. It is now running about like a headless fly to provoke a new war, taking issue with the fictitious "nuclear issue" of the North.

The outpouring of the traitor Kim Yong-sam fully revealed his criminal intrigue to contain the North with armed forces in reliance on outside forces. And the traitor Kim Chong-pil's outcry that "he would fight on the front" is a harebrained folly of a special-class bellicose element who has gone off into war hysterics, itching to provoke a war against the North.

The traitorous Kim Yong-sam clique are precipitating their own destruction by persistently resorting to the criminal moves to do harm to the fellow countrymen and plunge the nation into a holocaust of a nuclear war in league with outside forces, peddling the "doctrine of inevitability of sanctions against the North".

Lumbermen Interviewed on Being 'Kidnapped'

*SK2206002694 Pyongyang KCNA in English 1518
GMT 21 Jun 94*

[Text] Pyongyang, June 21 (KCNA)—Kim Kyong-hun, 32, and Kim Yun-il, 28, who had been kidnapped by South Korean puppets while engaging in felling in the far eastern region of Russia and escaped, met with reporters here on Monday and threw a revealing light on the truth behind the despicable kidnapping campaign of the South Korean puppets against lumbermen of the DPRK.

They were working at the forestry station No. 2 under the first complex of the Far Eastern Forestry Mission in Elga, Khabarovsk.

They first explained how they were kidnapped by agents of the South Korean "Security Planning Board [SPB]",

On May 8, 1992, they went shopping to the Birobidzhan market and got on a train after a Russian merchant who promised them to buy things they needed in Novosibirsk.

When they were ended up in embarrassment, having lost money and goods while traveling in the train, a man dressed like a Chinese volunteered to help them as a compatriot and led them to Moscow. Upon arriving in Moscow, they got on a taxi, which took them directly to the South Korean "embassy". The Russian merchant and Korean who kidnapped them were members of the "Association of Koreans" in Moscow.

The "Association of Koreans" was an anti-DPRK plot-breeding group on the payroll of the South Korean puppet embassy.

South Korean "SPB" men including Choe Chon-yop, first secretary of the "embassy", tried to force them to admit that they came to the South Korean "embassy" of their own accord, branding them as "criminals" who intruded into the "land of South Korea".

Later, they were held in detention in the office of Ho Chin, chairman of the "Association of Koreans" and general director of the newspaper LENIN KICHI, for one week before being taken to Yi Vadim, vice-chairman of the Rostov chapter of the "Association of Koreans".

In Rostov they underwent brainwashing under the watch of gangsters who tried to force them to write articles against the DPRK. The rogues also tried to make them write a letter to Yeltsin saying they could not live in North Korea and requesting him to grant them political asylum so they might live as citizens of Russia.

But they refused to do such things against the DPRK. When those lumbermen refused to comply with their demand, the "SPB" operatives and their underlings threatened them in every way.

One day in August, they threatened to kill the lumbermen, saying they would not be allowed to leave there alive. The lumbermen, unafraid of death, pounced upon them with a kitchen knife and an axe.

The villains who had been in a killing mood just moments before were struck with terror and ran away. The lumbermen fled and took shelter in the house of a man sympathetic with them. Later they escaped from the grip of the enemy with his help.

Kim Kyong-hun exposed the relations between the South Korean "embassy" and Ho Chin's "Association of Koreans" in Moscow and their kidnapping methods.

Choe Chon-yop, acting in the guise of a first secretary of the South Korean "embassy", is an operative of the "SPB" who directly wirepulls the "Association of Koreans". He personally questions kidnapped lumberjacks and decides on their fate.

He disguises those who are to be taken to South Korea as "political exiles" or "refugees" and sends those who are to be left in Russia back to the "Association of Koreans" and manipulates it to brainwash them and use them in anti-DPRK intrigues.

Kim Kyong-hun told reporters that through his own experience he learned that the "Security Planning Board" section in the South Korean "embassy" is a den of kidnappers of DPRK lumbermen in Russia, and the members of the kidnapping gang including the "Association of Koreans" are servants paid by the "SPB" for their criminal doings.

According to him, the South Korean "embassy" in Moscow does the dirty job in Europe and the "consulate-general" in Vladivostok in the far east. A certain Pak, deputy consul of the "consulate-general," is a high-ranking operative of the "SPB" under whose baton the

chairman of the "Association of Koreans" in Nakhodka supervises operations of alluring and kidnapping DPRK lumbermen.

Kim Yun-il told reporters about the purpose sought by the "Association of Koreans" in trying to force him to write a letter to President Yeltsin. In this, the "SPB" of South Korea and the reactionaries of the "Association of Koreans" intended to disguise their illegal organisation as a "charity" organisation, he said.

Kim Kyong-hun and Kim Yun-il said if the South Korean puppets continued to frame plots against DPRK lumbermen in the far eastern region of Russia, distorting facts, they will eventually drink a bitter cup.

They urged the Russian authorities never to allow the South Korean puppets' kidnapping of DPRK lumbermen in the far eastern region, because it harms the traditional friendship between the Korean and Russian peoples and it is an international crime creating instability in the Russian territory.

Memo Issued on Japan's Involvement in Korean War

SK2406052794 Pyongyang KCNA in English 0403 GMT 24 Jun 94

[Text] Pyongyang, June 24 (KCNA)—The Institute of International Affairs of the DPRK issued Thursday a memorandum making public concrete facts about Japan's direct involvement in the last Korean war.

The memorandum was published at a time when the revived Japanese militarists are trying to take a military action against the Korean people, gravely jeopardizing peace and security in the Korean peninsula and the rest of Asia.

The lengthy memorandum under the title "Japan was directly involved in the war of aggression against Korea" says Japan together with the United States prepared the war of aggression against Korea and served as a logistic base, supply base, repair base and attack base for the U.S. Forces during the Korean war and directly involved itself in germ warfare.

"The Japanese militarists directly participated in the war of aggression in Korea started by the U.S. imperialists in the 1950s and committed a hostile military action against the Korean people, but this fact has remained a secret," the memorandum says, adding: "This is why we are opening the materials to the public."

Recalling that Japan participated in the U.S.-imposed Korean war in violation of international laws and its "peaceful" constitution and inflicted immeasurable misfortunes and sufferings on the Korean people, the memorandum warns: "If the Japanese reactionaries expect 'a shower of gold' again in 'a second Korean war', it is a big mistake."

ROK Rulers Denounced for Suppressing Hanchongnyon

SK2406093894 Pyongyang Korean Central Broadcasting Network in Korean 1220 GMT 23 Jun 94

[Commentary by Chong Pong-kil: "Frenzied Winds of Civilian Fascism Are Blowing"]

[Text] Strong winds of large-scale fascist suppression have been blowing in South Korea these days. This attracts people's attention.

Taking advantage of the inaugural ceremony of the Second National Federation of General Student Councils [Hanchongnyon], the South Korean fascist elements babbled [ununhamyo] this organization is beneficial to the enemy and frantically tried to arrest leading members of this organization by wielding the notorious National Security Law. On 18 June they dispatched the puppet police to five universities, including Hongik University of Seoul, and kicked up commotions for searches and arrests.

Also, on 20 June, they committed fascist violence by arresting approximately 270 university students and peasants who attended meetings and staged demonstrations at Yoido Plaza and near the Yongdungpo Station to oppose the National Assembly's ratification of the Uruguay Round agreement. In reporting on this, even South Korean broadcasting stations pointed out that this was the first time since the civilian regime was inaugurated that many people were detained en masses in a single day.

The South Korean fascist elements responded to the South Korean workers' struggle for the right to existence with a wholesale suppression. As reported, when the South Korean railroad workers demanded the basic right of existence, which includes wage hikes and the improvement of their working conditions, the South Korean fascist elements ran amok while convening a meeting of ministers in charge of public order and labor or releasing statements. They threatened to detain all workers if they go on strike.

People cannot but be appalled by such a bestial fascist suppression offensive never before seen, not even during the military dictatorships of the Fifth and Sixth Republics. We cannot but say this is a grave development of the situation.

An insidious political goal is no doubt hidden behind this reckless suppression offensive by the South Korean fascist elements. As everyone knows, Hanchongnyon, with which the South Korean rulers take issue, is the successor of the National Council of University Student Representatives and an independent and patriotic student organization that carries out only righteous activities for independence, democracy, and reunification and that enjoys enormous prestige among the South Korean people. An attempt to consider this progressive student organization to be hostile and suppress and obliterate it

is an unjustifiable antidemocratic and antinational crime. Also, the struggle by the South Korean peasants and youth and students to prevent the National Assembly from ratifying the Uruguay Round agreement is a very just patriotic struggle that determines if they can protect the rice market, to which the destiny of the 6 million peasants is linked.

Needless to say, the workers' struggle for the right of existence should not be suppressed. Nevertheless, the present South Korean rulers who call themselves civilian suppressed the struggle by the youth and students, workers, and peasants on a large scale. Why did they do so? This was because the South Korean rulers have a very insidious political ambition and vicious endeavor. In short, their suppression offensive is none other than a reactionary offensive only seen on the eve of a war.

As everybody knows, the South Korean rulers are recently running amok while talking about an international cooperation system or sanctions under the pretext of the suspicion of our nonexistent nuclear development. They are also frantically kicking up confrontation and war maneuvers to crush their fellow countrymen with outside force.

They are almost daily and frantically conducting the Rimpac exercise, an air, land, and sea joint military exercise, a civil defense exercise, and many other war exercises against us. They are also recklessly making bellicose remarks as military countermeasures and surprise strikes. A man called executive chairman of the Democratic Liberal Party, while prowling about [ssadan-imyo] frontline areas, made the very inciting remarks that he would fight on battlefields even as a private second class if a war breaks out.

The South Korean fascist elements are so bestially suppressing the righteous popular struggle by the youth and students, workers, and people. This is no doubt an all-out reactionary offensive to achieve internal stability in preparations against war.

However, any suppressive offensive by the South Korean rulers will not be able to stifle the South Korean people's struggle spirits. Rather, the further they will strengthen their suppression, the more vigorously the workers, peasants, and youth and students will wage their righteous struggle. The South Korean rulers must clearly know that their fascist suppressive offensive will only hasten their destruction and act with discretion.

Suppression of Hanchongnyon in South Denounced

*SK2206105694 Pyongyang KCNA in English 1022
GMT 22 Jun 94*

[Text] Pyongyang, June 22 (KCNA)—The National Alliance for Democracy and Reunification in South Korea issued a statement denouncing the Kim Yong-sam fascist clique's suppression of the South Korean Federation of

General Student Councils (Hanchongnyon), a South Korean newspaper reported.

The statement said the suppression of Hanchongnyon angers the people as it is an anti-national act.

The inaugural ceremony of the second-term Hanchongnyon as a reasonable independent mass organization was a very legitimate meeting, said the statement, adding that the invocation of the "National Security Law" charging Hanchongnyon with the "tendency toward benefiting the enemy" is an open suppression to stifle Hanchongnyon.

ROK Accused of 'Disinformation' on Chongnyon

*SK2406111494 Pyongyang KCNA in English 1046
GMT 24 Jun 94*

["South Korean Authorities Must Immediately Stop Distributing Despicable Decoy Materials"—KCNA headline]

[Text] Pyongyang, June 24 (KCNA)—The South Korean authorities are these days resorting to such a despicable act as distributing decoy materials full of falsehood and fabrications to officials of the DPRK working abroad and progressive figures of different countries.

This despicable disinformation campaign is part of their persistent anti-DPRK intrigues.

Their decoy materials such as letters, publications and video cassettes are, without exception, run through with sheer lies groundlessly vilifying the DPRK.

They send such propaganda materials in the name of the General Association of Korean Residents in Japan (Chongnyon) or Koreans in Japan or even the International Institute of the Chuche Idea [IIJI].

This is an intolerable insult to and mockery of Chongnyon and Koreans in Japan and the IIJI.

It goes without saying that the disinformation campaign is a brainchild of the notorious South Korean "Security Planning Board" [SPB], an anti-DPRK plot-breeding machine accustomed to telling lies and fabricating things.

The "SPB" recently launched into such dastardly campaign with the sinister political aim of creating ideological confusion among officials of the DPRK and progressive figures of different countries by taking advantage of the situation complicated by the fictitious "nuclear issue" of the DPRK.

The South Korean authorities stoop to any infamy in their efforts to create ideological confusion within the DPRK and take the edge off the international movement for solidarity with the Korean people's cause of justice growing stronger with every passing day, while running amok in their preparations to unleash another war and

stifle the DPRK with the help of outside forces. But, by doing so they are stripping themselves fully naked as sycophant traitors.

It is a gross mistake, if they think they can give rise to any slightest ideological vacillation among officials of the DPRK and world's progressive people with such dirty tricks.

It is as foolish an act as trying to destroy a rock with an egg.

The South Korean authorities must immediately stop the despicable act of distributing decoy materials that can convince no one.

Daily Denounces Japan's 'Crackdown' on Chongnyon

*SK2406064094 Pyongyang KCNA in English 0427
GMT 24 Jun 94*

["Challenge to DPRK and Chongnyon"—KCNA headline]

[Text] Pyongyang, June 24 (KCNA)—The minister of justice and the general director of the public security investigation agency of Japan on June 21 prattled that "most perfect measures" must be taken for watching and investigating the movements of the General Association of Korean Residents in Japan (Chongnyon). Commenting on this, MINJU CHOSON today brands this as a revelation of the Japanese authorities' attempt to further expand and intensify the crackdown on Chongnyon and a vicious challenge to the DPRK and Chongnyon.

The news analyst says:

The Japanese authorities are assuming the legal and moral responsibility for ensuring the activities of Chongnyon, a patriotic and legitimate overseas citizens' organization of the DPRK, and the democratic and national rights of the Koreans in Japan.

Nevertheless, the Japanese authorities' crackdown on Chongnyon, timing to coincide with the moves of the imperialists and reactionaries to stifle the DPRK on the plea of "nuclear suspicion", is part of their hostile policy toward the DPRK and a deliberate and premeditated political suppression to threaten Chongnyon, interrupt its patriotic activities and furthermore, remove it.

The Korean people and the compatriots in Japan value the dignity and sovereignty of the nation and will never pardon those who encroach upon it.

The Japanese authorities must stop the suppression of Chongnyon at once, mindful that they will be to blame for the consequences of their undisguised crackdown on Chongnyon and moves to stifle the DPRK.

Treatment of Chongnyon Denounced by Rallies

*SK2206105194 Pyongyang KCNA in English 1015
GMT 22 Jun 94*

[Text] Pyongyang, June 22 (KCNA)—Rallies have been continuously held in different places of the Democratic People's Republic of Korea to denounce the Japanese reactionaries' suppression of the General Association of Korean Residents in Japan (Chongnyon) and Koreans in Japan.

Speakers said at the mass rallies held in Nampo and Wonsan on June 20 and 21 that the anti-DPRK, anti-Chongnyon moves of the Japanese reactionaries have become all the more heinous of late. They expressed towering anger and resentment at the Japanese reactionaries' unjustifiable criminal suppression of Chongnyon, an authoritative organization of overseas citizens of the DPRK, and Koreans in Japan.

Noting that there is neither reason nor ground for the Japanese authorities to take Chongnyon and Koreans in Japan as an object of suppression, they stressed that the Japanese authorities should protect and treat preferentially the Koreans in Japan who were forcibly taken to Japan by the Japanese imperialists and forced to hard toil in the past, and their descendants, and Chongnyon, an organization of overseas citizens of the DPRK which is conducting righteous activities to defend the democratic national rights of the Koreans in Japan and to promote friendship with the Japanese people.

Saying they could not remain an on-looker to the criminal deeds of the Japanese reactionaries who have become all the more undisguised in their suppression of Chongnyon and Koreans in Japan and hostile to the DPRK, working hand in glove with the United States and the South Korean puppets, they strongly demanded the Japanese authorities immediately stop the anti-DPRK, anti-Chongnyon campaign and severely punish the chief culprits in the recent cases.

They warned that the Japanese authorities should know clearly that it is foolish act of throttling themselves to antagonize the DPRK with a clamor for "sanctions" against the DPRK and suppress the Chongnyon and Koreans in Japan.

KCNA Denounces 'Suppression' of Residents

*SK2306054794 Pyongyang KCNA in English 0506
GMT 23 Jun 94*

["Sinister Intention To Suppress Chongnyon"—KCNA headline]

[Text] Pyongyang, June 23 (KCNA)—The Japanese Minister of Justice, Hiroshi Nakai, at a meeting on June 21 issued "an order" to keep a closer watch on the movements of the General Association of Korean Residents in Japan (Chongnyon), saying "this is demanded

by the situation" surrounding the "nuclear issue" of the Democratic People's Republic of Korea, according to a media report from Tokyo.

Shigetaki Ogata, general director of the public security investigation agency, told the meeting "it is necessary to take more perfect measures for the investigation into the movements of Chongnyon than ever before."

Their remarks fully revealed the criminal intention of the Japanese reactionaries to intensify the on-going suppression of Chongnyon and Koreans in Japan on a wholesale scale under the command of the authorities.

The Japanese authorities' suppression of Chongnyon, an authoritative organization of overseas citizens of the DPRK, and Japan-resident Koreans is the worst violation of human rights, an illegal political crackdown and a typical model of the national chauvinist crimes.

The Korean people can hardly repress bitter national resentment at Japan, which occupied Korea for nearly half a century and imposed immeasurable misfortunes and sufferings on the Korean people and is now continuing to persecute those taken to Japan forcibly from Korea and their descendants, instead of repenting of its past crimes through generations.

It is only too clear that the suppression of Chongnyon and Koreans in Japan is part of the premeditated and deliberate anti-DPRK moves launched by the Japanese authorities, availing themselves of the U.S. scheme to isolate and stifle the DPRK under the pretext of its "nuclear issue."

Such a wholesale suppression and the preparation of legislative arrangements for the establishment of a war-time system such as the "emergency security law" in Japan, which is designed to stage a comeback to Korea, indicate that "sanctions" against the DPRK by the Japanese reactionaries have reached a practical stage.

If they dare take "sanctions" against the DPRK, ignoring our repeated warnings, they will meet a severe punishment.

They must clearly see our determination and promptly stop the suppression of Chongnyon and Koreans in Japan.

Chongnyon Moves To Counter Japan's 'Suppression'

*SK2306060694 Pyongyang KCNA in English 0449
GMT 23 Jun 94*

[Text] Pyongyang, June 23 (KCNA)—The General Association of Korean Residents in Japan (Chongnyon) is conducting activities to check the Japanese reactionaries' suppression.

A meeting of activists of the Kyoto prefectural headquarters of Chongnyon was held at the Korean Hall in Kyoto on June 18.

The meeting made a mid-term review of the struggle of the Chongnyon officials and compatriots to frustrate the Japanese reactionaries' suppression of Chongnyon and discussed measures to invigorate the patriotic work of Chongnyon on the basis of the achievements and experience of the "three-month movement for defending the rights of compatriots."

Chongnyon officials visited political parties of Japan and the metropolitan office in a request campaign.

The delegates including Pae Pyong-tu, chairman of the Tokyo metropolitan headquarters of Chongnyon, together with Yoshio Udagawa, chairman of the Tokyo Metropolitan Assemblymen's League for the Promotion of Japan-Korea Friendship, visited the metropolitan office and handed to it a letter signed by 120,000 Koreans in Japan in demand of the improvement of the treatment of Korean schools.

Kim Song-nak, vice-chairman of the Kyoto prefectural headquarters of Chongnyon, and delegates of compatriots under the headquarters met with Wataru Kubo, secretary general of the Japan Social-Democratic Party and member of the House of Councillors, at the central headquarters of the party on June 16 and requested the party to actively support the struggle of the officials and Koreans for defending Chongnyon and take proper measures lest violence against students of Korean schools should recur.

That day, the delegates also visited dietmen from the Komei Party, the New Party Sakigake and other political parties within the framework of a request campaign. On June 15, they met with Masanori Koto, deputy secretary general of the Japan Social-Democratic Party and member of the house of representatives and concurrently head of the joint fact-finding group on the search of the Kyoto prefectural headquarters of Chongnyon, which is composed of the central headquarters and the Kyoto prefectural headquarters of the party.

Japanese 'Moves Against' Chongnyon Denounced

*SK2306054994 Pyongyang KCNA in English 0512
GMT 23 Jun 94*

["Japanese Authorities Must Not Run Riot"—KCNA headline]

[Text] Pyongyang, June 23 (KCNA)—The Japanese authorities must ponder over the grave consequences to be entailed by their moves against the Democratic People's Republic of Korea and the General Association of Korean Residents in Japan (Chongnyon). Otherwise, they will meet a severe punishment. NODONG SINMUN serves this warning today.

The analyst says:

The Japanese minister of justice and general director of the public security investigation agency revealed the intention of the Japanese reactionaries to intensify the

anti-Chongnyon campaign when they cried on June 21 for a closer watch on Chongnyon and investigation into its activities.

The Japanese authorities' anti-Chongnyon campaign which is assuming ever more serious dimensions is part of their moves to stifle the DPRK. It is a deliberate and premeditated political suppression motivated by a sinister intention to threaten Chongnyon, obstruct its patriotic activities and, further, destroy it.

Chongnyon, a lawful organization of overseas Koreans of the DPRK, has neither ignored and violated the Japanese law nor interfered in the internal affairs of Japan. Nevertheless, the Japanese authorities have committed a string of fascist outrages unprecedented since the formation of Chongnyon. And they are now crying for an open surveillance over Chongnyon and investigation into its activities. This is clear proof that their anti-Chongnyon moves have reached a very reckless stage.

What cannot be overlooked is that their indiscreet anti-Chongnyon moves are timed to coincide with the scheme of the imperialist reactionaries to stifle the DPRK under the pretext of the "nuclear suspicion" against the DPRK.

Our people and compatriots in Japan hold the sovereignty and dignity of the country dearer than their lives and they will never pardon those who encroach upon them. The Japanese authorities must know that it is not favorable to them to join the international reactionaries in their scheme to stifle the DPRK and intensify the suppression of Chongnyon.

Official Urges Japan To Renounce Policy

*SK2306103194 Pyongyang KCNA in English 1014
GMT 23 Jun 94*

[Text] Tokyo, June 21 [date as received] (KNS-KCNA)—The Japanese minister of justice issued an "order" to keep a closer watch on the movements of the General Association of Korean Residents in Japan (Chongnyon), saying "this is demanded by the situation". And the general director of the public security investigation agency cried that "it is necessary to take more perfect measures for investigation into the movements of Chongnyon than ever before".

In this connection, Paek Han-ki, vice-chairman of the Central Standing Committee of Chongnyon, issued a statement on June 21.

Pointing out that this revealed the undisguised intention of the Japanese Government authorities to antagonize the DPRK and suppress and control Chongnyon at any cost, under the pretext of the fictitious "suspected nuclear development", Paek Han-ki said:

"Such anachronistic words rolled off their tongues freely at a time when efforts are being made to solve the nuclear issue and ease the tensions on the Korean peninsula through dialogue between the DPRK and the

USA. This is intended to aggravate the tension, going against the situation, and is an intolerable hostile act toward the Korean people and Chongnyon.

"The Central Standing Committee of Chongnyon sternly protests and denounces with bitter national indignation the hostile policy of the Japanese Government authorities to suppress and control Chongnyon at whatever cost.

"We strongly demand that the Japanese Government authorities, particularly the public security authorities, immediately withdraw the "instructions" and stop the hostile policy toward the DPRK and the suppressive policy against Chongnyon."

Group Denounces Japan's Treatment of Koreans

*SK2306060494 Pyongyang KCNA in English 0452
GMT 23 Jun 94*

[Text] Tokyo, June 21 (KNS-KCNA)—The overseas headquarters of the National Alliance for the Country's Reunification (Pomminnyon) issued a statement June 20 denouncing the Japanese police's criminal search of the Osaka and Kyoto prefectural organisations of the General Association of Korean Residents in Japan (Chongnyon) as an intolerable insult to and an unpardonable provocation against the 70 million Koreans.

The statement warned that if the Japanese Government authorities, far from showing a sincere repentance and making compensation for the past war of aggression and colonial rule, continue suppressing Korean nationals, they will face a stern judgement by the 70 million Koreans in the North and South and overseas.

The overseas headquarters of Pomminnyon denounces the high-handed suppression by the Japanese Government authorities and demands a proper apology and compensation, the statement stressed.

Yi In-mo Meets Korean Students Visiting From Japan

*SK2306060594 Pyongyang KCNA in English 0455
GMT 23 Jun 94*

[Text] Pyongyang, June 23 (KCNA)—The members of the home-visiting group of students of Korean university under the General Association of Korean Residents in Japan (Chongnyon) led by Ku Tae-sok, staying in the socialist homeland, Wednesday met with Yi In-mo, the incarnation of faith and will.

Referring to the harsh torture by the enemy in South Korea, he said he, however, refused to be converted and fought the enemy to the end, believing in only the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

Noting that the great leader and the dear leader have shown all deep loving care for him, he said he would remain a loyal subject believing in and following them till the last moments of his life.

The members of the visiting group said though they live in an alien land, they would always firmly believe in only the dear leader marshal Kim Chong-il throughout their life like Yi In-mo and work with all devotion for the socialist homeland.

Meeting Held in Philippines To Denounce Japan

SK2206151794 Pyongyang KCNA in English 1503

GMT 22 Jun 94

[Text] Pyongyang, June 22 (KCNA)—A meeting denouncing Japan's interference with Korea was held in the Philippines on June 15, according to a foreign press report.

Present at the meeting were Philippine women who had been forced to sexual slavery for the Japanese Army during World War II and people from all walks of life.

They strongly demanded that Japan immediately stop interfering in the internal affairs of Korea, and criticized the Japanese Government for trying feverishly again to realise its militarist ambition on the Asia-Pacific region.

They also denounced Japan for instigating the International Atomic Energy Agency and the United Nations to take "sanctions" against North Korea.

Leaders' Support of Stand on Nuclear Issue Noted

SK2206105494 Pyongyang KCNA in English 1019

GMT 22 Jun 94

[Text] Pyongyang, June 22 (KCNA)—Dragomir Draskovic, chairman of the National Committee of the Communists League-Movement for Yugoslavia, when he received the DPRK ambassador on June 13, extended full support and firm solidarity to the principled stand of the DPRK toward the nuclear issue of the Korean peninsula.

Otete Gaston Mboyo, national chairman and secretary general of the National Movement of the Genuine Lumumbist Combatants of Zaire in a statement on June 15 said that the nuclear issue on the Korean peninsula can never be solved by means of pressure or "sanctions" and it can be solved only by a sincere resumption of the DPRK-U.S. talks. "Victory is on the side of the Korean people who defend justice", he stated.

Man Mohan Adhikari, president of the Central Committee of the Nepal Communist Party (United Marxist-Leninist), when he received the DPRK ambassador on June 14, said the DPRK's position that the nuclear issue of the Korean peninsula should be solved in a peaceful way through talks with the United States, is entirely just. "Our party will, in the future, too, actively support the struggle of the Korean people," he declared.

The Central Executive Committee of the National Council of the Communist Party of India in a statement on June 4 strongly appealed to all peaceloving people of India to frustrate the U.S. plots against the DPRK and

express firm support to and solidarity with the Korean people in their cause of justice.

Hwang Chang-yop Meets With PRC Middle School

SK2206110294 Pyongyang KCNA in English 1037

GMT 22 Jun 94

[Text] Pyongyang, June 22 (KCNA)—Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, today met and had a friendly talk with the visiting delegation of the Jilin Yuwen Middle School of China led by Zhao Zhongxin, secretary of the party committee of the school.

Hearing on Nuclear Issue Held in Russia

SK2206152494 Pyongyang KCNA in English 1515

GMT 22 Jun 94

[Text] Moscow, June 20 (KCNA)—A hearing on the nuclear issue of the Korean peninsula was held at the International Affairs Committee of the State Duma of Russia on June 20.

Present there were Chairman of the committee Vladimir Lukin, deputies to the State Duma who are members of the committee, Director of the Institute of the Far East of the Academy of Sciences of Russia Mikhail Titarenko, officials concerned and men of the press.

DPRK Ambassador to Russia Son Song-pil, addressing the hearing, said that the Russian media reports on the nuclear issue on the Korean peninsula were almost distorted reports much inclined to U.S. and Western reports. He explained the cause of the origin of the nuclear issue of the Korean peninsula and the consistent stand and efforts of the DPRK for its solution.

Noting that the issue owed its origin to the massive shipment of the U.S. Forces and nuclear weapons into South Korea, he said that the United States invented the pretext of "suspicion of nuclear arms development" for the purpose of maintaining its domination over the Asia-Pacific region by keeping its forces and nuclear weapons in South Korea.

Stressing that the DPRK joined the Nuclear Non-proliferation Treaty to solve the nuclear issue on the Korean peninsula, not to be exposed to nuclear threat and pressure, he denounced the United States and its followers that are misleading public opinion with the allegation that the DPRK's withdrawal from the treaty is destroying the system, while shifting the blame for it onto the DPRK, and are continuously scheming to isolate and stifle the DPRK, crying for "sanctions".

He said that the "resolution" of the Board of Governors of the International Atomic Energy Agency is a prelude to the UN "sanctions" against the DPRK.

"We are always ready for dialogue and negotiation for a solution to the nuclear issue on the Korean peninsula,

but can never accept threat or 'sanctions' against us. If pressure is put on us, we will take a strong countermeasure," he declared.

Son Song-pil answered questions put by deputies to the State Duma and officials concerned with the Korean question.

Answering a question about the international meeting on the nuclear issue of the Korean peninsula proposed by Russia, he said: "With the DPRK-U.S. talks brought to a rupture, we consider the meeting to be a way for a peaceful solution to the nuclear issue, if it is held on an equal and fair principle and when a concrete plan is proposed, we will study it."

"But," he added, "we cannot approve the notion of holding an international meeting while taking 'sanctions' against us. Dialogue and 'sanctions' are incompatible. We will take a countermeasure corresponding to the scale of the 'sanctions'."

"Our stand is to answer dialogue with dialogue, war with war."

Thai Assembly Delegation Continues Visit

SPA Hosts Party

*SK2206103294 Pyongyang KCNA in English 1009
GMT 22 Jun 94*

[Text] Pyongyang, June 22 (KCNA)—The Supreme People's Assembly [SPA] of the DPRK hosted a party at the Mansudae Assembly Hall on June 21 for the visiting delegation of the Upper House of the Kingdom of Thailand headed by Speaker of the Upper House Michai Ruchuphan.

Addressing the party, SPA Chairman Yang Hyong-sop said that the Thai Government and people are striving to strengthen the democratic system and achieve a political stability of the country under the leadership of esteemed His Majesty King Bhumiphon Adunyadet and are registering remarkable successes in the implementation of the 7th five-year plan for socio-economic development.

"We", he added, "rejoice over the achievements made by the Thai people and note with high appreciation that the Thai Government is pursuing a peaceloving foreign policy and has made affirmative overtures for peace and cooperation in Asia."

Pointing out that the present situation calls upon the Asian peoples to unite and closely cooperate with each other on the principle of independence, equality and mutual benefits, he stressed:

"If Korea and Thailand strengthen and develop the friendly and cooperative relations in the idea of independence, peace and friendship, they will be able to achieve common prosperity and progress and greatly contribute to the cause of peace in Asia and the rest of the world."

Speaking next, the head of the Thai delegation said the exchange of high-level delegations after the opening of diplomatic relations between the two countries has helped toward deepening friendship and understanding between the two countries and parliaments.

Hoping that the Democratic People's Republic of Korea would in the future make greater achievements under the economic plan laid down by His Excellency the great President Kim Il-song, he laid stress on the need for the two nations to cooperate with each other in the economic domain in their common interests.

He expressed the belief that the DPRK would successfully surmount all the difficulties under the wise leadership of his excellency the great President Kim Il-song and the respected leader His Excellency Kim Chong-il.

SPA, Thai Delegations Hold Talks

*SK2206155094 Pyongyang KCNA in English 1533
GMT 22 Jun 94*

[Text] Pyongyang, June 22 (KCNA)—A delegation of the Supreme People's Assembly [SPA] of the DPRK held talks with the visiting delegation of the Upper House of the Thai parliament at the Mansudae Assembly Hall today.

Present at the talks on the DPRK side were chairman of the SPA Yang Hyong-sop, member of the Standing Committee of the SPA Yu Ho-chun and officials concerned and on the Thai side were the members of the delegation led by speaker of the Upper House Michai Ruchuphan and the minister of the Thai Embassy here.

The talks proceeded in a friendly atmosphere.

Delivers Gift for Kim Il-song

*SK2406112694 Pyongyang KCNA in English 1029
GMT 24 Jun 94*

[Text] Pyongyang, June 24 (KCNA)—The great leader President Kim Il-song received a gift from Michai Ruchuphan, speaker of the upper house of the Kingdom of Thailand, on a visit to our country.

The gift was handed to chairman of the Supreme People's Assembly Yang Hyong-sop by the speaker of the upper house.

Delivers Gift for Kim Chong-il

*SK2406112794 Pyongyang KCNA in English 1031
GMT 24 Jun 94*

[Text] Pyongyang, June 24 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from Michai Ruchuphan, speaker of the upper house of the Kingdom of Thailand, on a visit to our country.

The gift was handed to chairman of the Supreme People's Assembly Yang Hyong-sop by the speaker of the upper house.

Meeting Commemorates DPRK-Laos Relations

*SK2306060094 Pyongyang KCNA in English 0443
GMT 23 Jun 94*

[Text] Pyongyang, June 23 (KCNA)—A meeting was sponsored by the Committee for Cultural Relations With Foreign Countries and the Korea-Laos Friendship Association here Wednesday to mark the 20th anniversary of the establishment of diplomatic relations between the DPRK and the Lao People's Democratic Republic.

It was attended by Yi Chol-pong, minister of city management and chairman of the Korea-Laos Friendship Association, Cho Kyu-il, vice-minister of foreign affairs, and working people in the city.

A speech was made at the meeting.

Swedish Communist Party Delegation on Visit

Meets With Friendship Association

*SK2206060694 Pyongyang KCNA in English 0416
GMT 22 Jun 94*

[Text] Pyongyang, June 22 (KCNA)—The Korea-Sweden Friendship Association on Tuesday held a friendly meeting with the friendship visiting group of the Communist Party-KPML (R) of Sweden on a visit to Korea.

Invited to the meeting were the friendship visiting group of the Communist Party-KPML (R) of Sweden led by Roger Gross, member of the Political Bureau of the Central Committee of the party.

Kim Yong-su, vice-chairman of the Korean Committee for Cultural Relations With Foreign Countries and chairman of the Korea-Sweden Friendship Association, and other officials concerned were present.

The participants chatted and recited poems, deepening feelings of friendship.

Deliver Gift for Kim Il-song

*SK2306111394 Pyongyang KCNA in English 1033
GMT 23 Jun 94*

[Text] Pyongyang, June 23 (KCNA)—The great leader President Kim Il-song received a gift from the friendship visiting group of the Communist Party-KPML (R) [The Communist Party of Marxist-Leninist Revolutionaries] in Sweden.

The gift was handed to an official concerned by Roger Gross, member of the Political Bureau of the Central Committee of the party and head of the visiting group.

Deliver Gift for Kim Chong-il

*SK2306111494 Pyongyang KCNA in English 1035
GMT 23 Jun 94*

[Text] Pyongyang, June 23 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from the friendship visiting group of the Communist Party-KPML (R) [The Communist Party of Marxist-Leninist Revolutionaries] in Sweden.

The gift was handed to an official concerned by Roger Gross, member of the Political Bureau of the Central Committee of the party and head of the visiting group.

WPK, Czechy-Morava Party Delegations Meet

*SK2206105994 Pyongyang KCNA in English 1031
GMT 22 Jun 94*

[Text] Pyongyang, June 22 (KCNA)—Talks between delegations of the Workers' Party of Korea [WPK] and the Czechy-Morava Communist Party were held in Pyongyang on June 22.

Present on our side were Chi Chae-yong, a vice department director of the WPK Central Committee, and officials concerned and on the opposite side was the delegation of the Czechy-Morava Communist Party headed by Secretary of its Central Committee Vratislav Novak.

The sides informed each other of the activities of their parties and exchanged views on a series of matters of common concern.

WPK Hosts Reception for Bangladesh Delegation

*SK2206102794 Pyongyang KCNA in English 1003
GMT 22 Jun 94*

[Text] Pyongyang, June 22 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] gave a reception Tuesday for a delegation of the Bangladesh National Socialist Party [BNSP] led by General Secretary Hasanul Huq Inu on a visit to Korea.

Speaking at the reception, Secretary of the WPK Central Committee Hwang Chang-yop said the Bangladesh National Socialist Party has vigorously striven to accomplish the cause of the working masses for independence, the cause of socialism since its foundation and grown to be a political force enjoying trust of the people in this course. "We highly estimate and support your party which is invariably defending the socialist banner and actively struggling for peace in Asia and the rest of the world even under the difficult situation in which vicious moves of the imperialists and reactionaries are going on unabated," he noted.

Saying to struggle in unity to defend and advance the cause of socialism in the present period is a common honorable duty devolved on the progressive parties of all the countries by history and the people, he stressed: "The WPK will in the future, too, make positive efforts to

strengthen and develop the bonds of friendship, unity and solidarity with the Bangladesh National Socialist Party."

General Secretary Hasanul Huq Inu in his speech said that though the relations between the WPK and the BNSP were established not long ago, these relations are becoming closer for the commonness of their aim, idea and ideology. He affirmed that the Bangladesh National Socialist Party would always stand on the side of the Korean people.

The great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il are making sincere efforts to realize the reunification and denuclearisation of the Korean peninsula, he said, adding:

"We will express solidarity for the struggle of the Korean people in the future, too."

Costa Rican Group Adopts Solidarity Resolution

*SK2306103094 Pyongyang KCNA in English 1010
GMT 23 Jun 94*

[Text] Pyongyang, June 23 (KCNA)—The People's Vanguard of Costa Rica adopted a special resolution titled "Solidarity With the DPRK" on June 12, supporting the DPRK's proposal for denuclearising the Korean peninsula and expressing solidarity with the Workers' Party of Korea, the DPRK Government and people in the struggle against the new war provocation moves of the United States and the South Korean puppets.

Pressure from the imperialist powers such as "sanctions" against the DPRK is a blasting fuse which may cause a war on the Korean peninsula and spread its flames worldwide, said the resolution, denouncing the United States and other imperialist powers for monopolizing nuclear weapons and using them as a means of threat and blackmail against other countries.

Functions Held in Pyongyang on Olympics Founding

*SK2206060894 Pyongyang KCNA in English 0418
GMT 22 Jun 94*

["'Olympic Day Running' Held in Pyongyang"—KCNA headline]

[Text] Pyongyang, June 22 (KCNA)—Various functions are organized in Korea on the occasion of the centenary of the founding of the modern Olympics and the International Olympic Committee (June 23).

An "Olympic day running" involving more than 2,000 working people in Pyongyang took place at the Pyongyang Textile Combine on Tuesday.

Participating in it were Kang Tok-chun, vice-chairman of the State Commission of Physical Culture and Sports and vice-chairman of the DPRK Olympic Committee, and other officials concerned.

The participants who covered the appointed distance were issued with "Olympic day running" participation certificates.

Working people in Nampo and Sariwon also held the "Olympic day running."

Kim Il-song Appears for 'On-the-Spot Guidance'

*SK2206042794 Pyongyang KCNA in English 0403
GMT 22 Jun 94*

["President Kim Il-song Gives On-the-Spot Guidance to Taesong District Cooperative Farm"—KCNA headline]

[Text] Pyongyang, June 22 (KCNA)—The great leader President Kim Il-song gave on-the-spot guidance to the Taesong District cooperative farm in Pyongyang municipality on June 21.

He was accompanied by Kang Song-san, premier of the Administration Council; So Kwan-hui, secretary of the Central Committee of the Workers' Party of Korea; Kim Won-chin, chairman of the State Agricultural Commission; and officials concerned.

Going round the fields of the farm, President Kim Il-song acquainted himself with the farming and set forth tasks for manuring and cultivating crops on a scientific and technological basis for the present.

Saying what is most important in manuring and cultivating crops under the present condition of a long spell of drought is to sufficiently water the fields, he gave instructions that all the farms should adjust and reinforce the existing irrigation setups and make an effective use of them in an extensive irrigation of dry fields.

He said a high and stable harvest can be reaped, not affected by whatever long drought in the country where the irrigation of agriculture was completed long ago to bring into shape a powerful irrigation system.

President Kim Il-song said that in order to increase the crop yield, all the farm work including weeding and paddy water control must be done substantially as demanded by the chuche method and supplementary fertilizers be applied to paddy and nonpaddy fields in larger quantities in addition to chemical fertilizers.

Volume of Kim Il-song 'Reminiscences' Published

*SK2406113194 Pyongyang KCNA in English 1021
GMT 24 Jun 94*

[Text] Pyongyang, June 24 (KCNA)—The Workers' Party of Korea publishing house recently brought out the fifth volume of Part 1—Anti-Japanese Revolution of "With the Century", reminiscences of the great leader President Kim Il-song.

The first four volumes of the reminiscences, already published, have been widely read among the people at home and abroad. Vol. 5 covers the historical period from May 1936 to March 1937 when an epochal upturn

was brought about in the Korean people's glorious history of anti-Japanese revolutionary struggle.

Printed in the front part of it is a famous handwriting of President Kim Il-song saying it is the historical lesson from the hard-fought anti-Japanese revolutionary struggle that the destiny of the fatherland can be saved only by the united efforts of the whole nation.

Also edited in it are photographs showing military and political activities of the Korean People's Revolutionary Army (KPRA) conducted briskly in the latter half of the 1930s with the Mt. Paektu secret camp as a stronghold, pictures showing activities of anti-Japanese revolutionary fighters including Comrade Kim Chong-suk, an indomitable communist revolutionary fighter, photos illustrating revolutionary art and publications created in the flames of the anti-Japanese struggle, and other valuable materials.

The fifth volume consists of three chapters.

In this volume President Kim Il-song recalls with deep emotions that the KPRA created guerrilla bases of a new form in the Mt. Paektu area and conducted brisk military and political activities in reliance upon them and that the Korean communists vigorously pushed ahead with the work of building party organizations at home.

He also recounts his struggle to rally broad sections of masses around the anti-Japanese national united front under the banner of great national unity and to form a joint front of the Korean and the Chinese peoples and deepen militant unity and fraternity between them in the heat of the bloody struggle against Japanese imperialism, the common enemy.

The book records significant stories about the revolutionary traits of Army-civilian unity and unity between officers and men which were highly displayed among the KPRA and people in those days, and emotional recollection of the glorious traditions of the revolutionary literature and art and publications created then.

Particularly emotional are stories about the noble communist virtues of President Kim Il-song who showed deep loving care for and trust in anti-Japanese revolutionary fighters who remained unfailingly loyal to the cause of national liberation and brought them up as fine revolutionaries.

Kim Chong-il Thanks People for Showing Unity

*SK2306053394 Pyongyang KCNA in English 0438
GMT 23 Jun 94*

[Text] Pyongyang, June 23 (KCNA)—Supreme Commander of the Korean People's Army Comrade Kim Chong-il sent thanks to the soldiers of the Kim Pok-nam unit and the Yi Chi-yong unit of the Korean People's Army, the teachers of the Kim Han-chu's university, Son Tae-un, a teacher of Kim Il-song University of politics, and his wife, Kang Kum-suk, and twelve other war veterans, Kim Kum-tok, leader of the spectacles repair

workteam in Chungsong-tong, Central District, Pyongyang, and her family and the workteam members for showing examples in highly displaying the traditional trait of army-people unity.

In the DPRK, the traditional trait of army-people unity is in full play, the People's Army helping the people and the people supporting the army.

Daily Notes 'Victory' Over Allies in Liberation War

*SK2406110994 Pyongyang KCNA in English 1040
GMT 24 Jun 94*

["Korean People's Heroic Struggle in Defence of Their National Dignity"—KCNA headline]

[Text] Pyongyang, June 24 (KCNA)—NODONG SINMUN today comes out with a by-lined article entitled "Heroic Struggle of Our People in Defence of Dignity of Their Country".

The just-born People's Army and people of Korea could win over the world's reactionary Allied forces in the fatherland liberation war because they fought an all-people heroic struggle, only believing in the great leader Comrade Kim Il-song, a legendary hero of the anti-Japanese struggle and ever-victorious iron-willed brilliant commander, and closely rallied behind him, the article says, and goes on:

The Korean people, above all, rose as one in the war of justice and fought valiantly in hearty response to the militant call of the party and the leader "Everything for victory in the war!"

It was their unfailing loyalty to the party and the leader and high patriotic zeal that made the Korean people rise as one for victory in the fatherland liberation war when a grave danger befell their country and nation due to the imperialist aggression.

The entire people took arms instead of hammer and sickle, pen and book and enthusiastically volunteered to the front with a resolve to fight it out to the last drop of their blood.

The officers and men of the People's Army defended every inch of the fatherland at the cost of their blood by displaying matchless mass heroism, upholding orders of the respected leader with their whole heart.

Many heroic soldiers including hero Yi Su-pok ensured victories in fierce battle with the enemy by dedicating themselves to silence the enemy's pillboxes and destroying tanks and warships.

All the people in the rear, workers, peasants, students, the old and the young, fought heroically for wartime production and aided the front, not yielding at all even under the barbarous bombings by the enemy, and creditably ensured victory in the war, overcoming all hardships and difficulties, united firmly as one.

In particular, in the enemy-held areas, people organized guerrillas, young people formed young guards, and children children's guards to fight against the U.S. imperialist aggressors.

The Korean people and People's Army could so fully display mass heroism and the spirit of patriotic devotion in the fatherland liberation war because they firmly believed that they would always emerge victorious when they fought as indicated by the leader, cherishing deep down in their hearts the justice of the line, strategy and tactics laid down by the great leader Comrade Kim Il-song and the wisdom of his leadership.

The enormous significance of the fatherland liberation war lies in that it strikingly demonstrated the fact that the strength of a people united firmly behind their party and leader is inexhaustible and nothing can break it.

Now, the Korean people and People's Army are firmly united behind respected supreme commander General Kim Chong-il, an ever-victorious iron-willed brilliant commander, ideologically and purposefully and In-moral obligation.

They will as ever firmly unite behind the party and the leader and wage an all-people heroic struggle, thus smashing whatever maneuvers of the imperialists and firmly defending and further glorifying the Korean-style socialism.

KPA Soldiers Achieve New Goals in Construction

SK2306072494 Pyongyang Korean Central Television Network in Korean 1100 GMT 21 Jun 94

[Text] Upholding the noble intention of Comrade Kim Chong-il, our respected and beloved supreme commander, the soldier-builders of the Korean People's Army [KPA] and the Korean People's Security Forces are achieving new upsurges every day in the construction of the Pyongyang-Hyangsan Expressway with the vigorous support from the people across the country.

The soldier-builders of the KPA unit to which Comrade (Yi Chung-chon) belongs—who have been mobilized for the construction of the Expressway between Pyongyang and Hyangsan—are continuing to increase the speed of construction, following the completion of work of [word indistinct] at sections they are responsible for.

To finish the construction of the Pyongyang-Hyangsan Expressway which is being built as an ever-lasting creation of the era of the Workers Party, at an early date, the commanders of this unit have been carrying out their work in a bold way while putting their concrete operations into practice. They are winning surprising upswings also in the work of building revetments by conducting their command skillfully in conformity with the ever-changing situation, while allocating the labor force and equipment in a reasonable way. At the

moment, the soldier-builders of this unit here are continuing to achieve upsurges with the high determination to defend the fatherland and build socialism with their own responsibility.

Large-Scale Stamp-Forging Plant Reinforced

SK2206152094 Pyongyang KCNA in English 1506 GMT 22 Jun 94

[Text] Pyongyang, June 22 (KCNA)—The May 18 large-scale stamp-forging plant of the Chollima steel complex in Korea has begun operation with its large material and roller processing facilities reinforced. This has put new muscles into the processing base.

Officials of the Ministry of Metal Industry and officials and workers of machine plants across the country supplied all the equipment needed by it including seven large roller klathes, ten horizontal and vertical heat treatment ovens and several overhead cranes including a 100-ton crane in a short period.

The workers of the large machine tool plant of the Yongsong Associated Machinery Bureau, the numerical control branch factory of the June 1 youth general electric appliances works, the Taean electric appliances plant of the Taean heavy machine complex and the October 5 general automation works showed a high level of science and technology of the chuche-based machine building industry.

The workers of the Chollima steel complex including the May 18 large-scale stamp-forging plant undertook the manufacture of heat treatment ovens and cranes and assembly of equipment.

The operation of all the newly installed equipment is quite satisfactory. Now the 10,000-ton press will give fuller play to its might and the chuche character of the metal industry will be increased.

Long Life Attributed to Health Care System

SK2306110494 Pyongyang KCNA in English 1021 GMT 23 Jun 94

[Text] Pyongyang, June 23 (KCNA)—Recently, Yun Chin-ok in Songnam-tong, Kim Chaek City, North Hamgyong Province in the northern area of Korea, received a 100th birthday table from the dear leader Comrade Kim Chong-il.

Such a great honor was also granted some time ago to Mrs. Om in Okchon-ri, Kim Chaek City, Kim San-ok in Wonsan City, Kangwon Province, and Choe Kyong-ok in Pyongwon County, South Pyongan Province, on their 103rd, 101st and 100th birthdays.

The number of centenarians is ever increasing in Korea where the most ideal health policy centred on the popular masses is in force.

Entering this year, many folks greeted their 100th birthdays, among them Chong Chae-myong and Pak Yong-sun in Tokchon City, South Pyongan Province, Kim Chang-yong in Onchon County, South Pyongan Province, Kim Kyu-chul in Sonbong County, North Hamgyong Province, An Sang-o in Naknang district, Pyongyang, and Mrs. Kwon in Hoeyang County, Kangwon Province.

Deep, indeed, is the loving care of Comrade Kim Chong-il for them.

Regarding the increasing number of centenarians as a great pride of the country, he sent birthday tables to all of them and took various measures so that health care institutions throughout the country might look after their health with special care.

In recent years, gerontology departments have made their appearance in the hospitals of the provincial universities of medicine and all the macrobian people throughout the country have been registered again and their health checked up. The registered long-livers enjoy medical care at central hospitals, wherever they may live.

The state allots a large amount of fund to the recovery of their health.

To cite an example, in February, Yi Pong-hwa, 94, in Hyuam-tong, Sadong district, Pyongyang, had his pneumonia cured at the Red Cross General Hospital of Korea through a 50-day free medical treatment that costed the state money equivalent to the two-year wages of an ordinary worker.

The constant increase in the number of macrobian people in Korea is attributable to the popular policies of the Workers' Party of Korea and the DPRK Government, the rapid development of health services, effective use of many mineral springs, the systematic improvement of the people's living, the custom of respecting the old folks that prevails in the society.

South Korea

Summit Agenda, Date Proposals Previewed

SK2406054094 Seoul CHUNGANG ILBO in Korean 24 Jun 94 p 1

[By reporter Choe Won-ki]

[Text] At the preliminary contact to be made at Panmunjom on 28 June, the government is going to propose that the summit talks be held "in Seoul on around 10 July," while putting forth agenda items on which both the South and North can easily reach an agreement.

According to government officials concerned, the government will propose to the North side that the summit talks be realized in Seoul on around 10 July.

This is based on the judgment that it is good for the South-North summit talks to be realized right before or

after 8 July—the date when the North-U.S. talks are expected to be held—because the two kinds of talks should go in tandem with each other.

The government is going to propose Seoul as the venue with the expectations that if President Kim Il-song has the opportunity to have the firsthand look at, and feel from, the South Korean society, the atmosphere for the summit talks will change.

Meanwhile, the government is planning to have all things—which the South and North can raise—included in the agenda items. At the same time, the government will give priority to those loose items on which the South and North can easily reach an agreement so that the atmosphere for the talks may not become rigid.

Saying this regarding the agenda for the summit talks, one government official concerned said that such items will be reflecting the spirit and substance of the South-North Basic Agreement. He said on 24 June: "The government needs a loose agenda even for a joint statement to be released by the South and North right after the summit talks. The agenda items for the summit talks can smoothly be simplified in the process of keynote speeches by the head delegates to the preliminary contacts and of follow-up negotiations."

In his keynote speech, Yi Hong-ku, deputy prime minister for national unification affairs, is going to clarify our position on the South-North joint declaration of denuclearization; the implementation of the South-North Basic Agreement; dispersed families; and economic cooperation between the South and North.

Draft Agreement on Summit Time, Place Viewed

SK2406083794 Seoul YONHAP in English 0741 GMT 24 Jun 94

[Text] Seoul, June 24 (YONHAP)—Seoul plans to offer a draft agreement to Pyongyang at the summit preparatory contact on June 28, a strategy aimed at minimizing the number of necessary contacts before the inter-Korean summit actually takes place, according to officials here.

The draft, tentatively named "the agreement on opening a South-North Korea top leaders' meeting," must be tabled at the first preparatory contact on June 28 so that the two sides can get right down to setting the time and place for the summit and then sign the agreement at the next contact, the officials say.

The government is said to have already completed the draft, which is most likely to establish the number of delegates, accompanying assistants and the size of the press corps.

They would have to cover protocol for both sides, the itinerary, the actual site and facilities for the summit meeting, a guarantee of the personal safety of all visitors, and arrangements for their trips.

The officials say they will not demand that every little detail be written down on all of the above procedures in the draft agreement so that the date of the summit can be arranged as soon as possible.

Instead, they envision separate working-level contacts on these details after the overall agreement is signed.

At least one week of careful planning is thought to be required before the summit date.

This gives Seoul approximately two weeks of minimum required time, one week to work on and sign the agreement on the summit and another week to settle on the details. Seoul then could propose the summit date around July 10 or by mid-July at the latest.

As to where the top leaders will meet, the officials said they will go ahead and propose the South Korean capital of Seoul. But as long as North Korea agrees to hold the summit as soon as possible, the South is willing to meet in the North Korean capital of Pyongyang, according to officials.

"We will ask for Seoul, but if that doesn't work out, then Pyongyang is a possibility," said one official.

"There has been talk of a third place, like the case of Germany, but we have to take into consideration that there are not many facilities suitable for a summit meeting in North Korea other than Pyongyang," he said.

But there is one case in which Seoul will not compromise on—if North Korea insists on meeting Aug. 15, the anniversary of Korea's liberation from Japanese colonial rule and also a date that North Korea commonly uses for its political propaganda.

In that case, officials said they will demand Seoul as the meeting site. If Pyongyang refuses, then they will think about the neutral zone—the truce village of Panmunjom—or a third place in South Korea.

Considering all these factors, South and North Korea will both probably have to make concessions, one side on the place and the other side on the time.

As stated before, Seoul officials plan to make agenda-setting as general as possible to lessen the chances of bickering over agenda topics.

The proposed agenda will be very comprehensive, according to the officials, covering immediate issues confronting South and North Korea and other matters proposed by the top leaders, or ways of removing political and military confrontation including the nuclear problem and implementation of wide-ranging exchanges and cooperation.

On arrangements for bodyguards, entourages and the press, Seoul intends to include these terms in the overall agreement if North Korea does not object but is willing to leave it to working-level contacts.

Policy Supports DPRK Light-Water Reactors

SK2406054994 Seoul MUNHWA ILBO in Korean 24 Jun 94 p 1

[By Kim Chae-mok]

[Text] It was confirmed on 24 June that the ROK Government has established a policy to take the initiative to support the construction of light-water reactors for North Korea and is examining various concrete measures.

It is anticipated that President Kim Yong-sam will actively propose the ROK Government's policy to President Kim Il-song if the summit talks are realized.

The government policy is one of the active initiatives for assuring North Korea's nuclear transparency and providing a breakthrough in economic cooperation between the North and the South. Whether or not North Korea will accept the proposal will be noteworthy.

A high-ranking government official said on 24 July: "North Korea has explained to the United States about its plan to convert the current graphite-moderated reactors to light-water reactors and requested the United States to support this but the United States is having difficulties in providing actual support due to its domestic laws even though it agrees to the plan in principle. In this context, our government is preparing measures to take the initiative to participate in the construction of light-water reactors in North Korea."

The official also said: "It is inevitable that North Korea's light-water reactor construction will be a multinational project involving the United States, Japan, and Russia. The ROK Government will soon begin discussing detailed support measures with the United States and Japan."

Another government official said: "The core question of the North Korean light-water reactor project is who will provide the capital. The ROK Government is examining a plan to assist North Korea in obtaining construction funds from the Asian Development Bank by guaranteeing the repayments."

Meanwhile, during a meeting with Selig Harrison, senior fellow of the Carnegie Endowment for International Peace, North Korean Vice Foreign Minister Kang Sok-chu said: "The United States could request Russia to provide light-water reactor technology to North Korea, and South Korea and Japan could provide the capital."

In the event that the ROK, the United States, and Japan reach an agreement to support North Korea's light-water reactor construction project, the project could begin upon the signing of a bilateral or multilateral treaty on nuclear power assistance.

It is estimated that the construction of one light-water reactor in North Korea would cost \$1 billion to \$1.5 billion for a period of over 10 years.

KGB Source: DPRK Developed Nuclear Detonator
*SK2406113994 Seoul YONHAP in English 1129 GMT
24 Jun 94*

[Text] Tokyo, June 24 (YONHAP)—The former Soviet Union's KGB believed back in 1990 that North Korea already secured a nuclear detonator, the SANKEI SHIMBUN here said in a dispatch from Moscow on Friday.

Quoting a story appearing in the Friday evening issue of IZVESTYA, SANKEI said the report filed by KGB to Soviet leadership in February 1990 said in part, "North Korea already has its first nuclear detonator and is simply withholding its test to keep it a secret."

The KGB report said that it had obtained from a reliable source the information that North Korea was indulging in research on the production of nuclear weapons in a bid to maintain a military edge over South Korea and join the group of nuclear countries.

Explaining about difference between "nuclear detonator" and "nuclear bomb," IZVESTYA reportedly said the existence of a nuclear detonator means there are nuclear weapons.

The contents of the report have high credibility as it was prepared by Col. V.L. Smolinov of 16th department of KGB's Second General Bureau, IZVESTYA added.

Thai Prime Minister Chuan Continues Visit

Meets With President Kim Yong-sam

*BK2406095394 Bangkok Radio Thailand Network in
Thai 0530 GMT 24 Jun 94*

[Report by Somphon Kitphonprasoet, reporter of the Public Relations Department, from Seoul on the activities of Prime Minister Chuan Likphai in the Republic of Korea on 24 June—recorded]

[Text] Today is the second day of an official visit to the Republic of Korea by Prime Minister Chuan Likphai. He is the first Thai prime minister to have ever visited the Republic of Korea in 13 years after General Prem Tinsulanon, former Thai prime minister, paid an official visit to Korea in 1981.

Therefore, the visit can be regarded as a good sign for the opening of a new era of good relations between Thailand and the Republic of Korea, or South Korea, in order to further strengthen and develop relations between the two countries in the economic, trade, and investment fields.

At 1030 local time, Prime Minister Chuan Likphai met and discussed official matters with President Kim Yong-sam of the Republic of Korea.

When the motorcade of Prime Minister Chuan Likphai arrived at the Presidential Palace, President Kim Yong-sam welcomed the Thai guest at the front corridor of the Presidential Palace. He then accompanied the Thai

prime minister into the main hall to sign the visitor's book. The Korean president and Thai prime minister had their pictures taken at the staircase of the main hall before an official discussion between the two leaders began.

Thai officials participating in the meeting were Sarasin Wiraphon, director general of the America and South Pacific Department, and Taen Paramatwinai, director general of the East Asia Department of the Foreign Affairs Ministry.

After the discussion, the Thai prime minister bade farewell to the Korean president at the front corridor of the Presidential Palace.

Discusses Bilateral Cooperation

*SK2406085194 Seoul YONHAP in English 0556 GMT
24 Jun 94*

[Text] Seoul, June 24 (YONHAP)—President Kim Yong-sam and Thai Prime Minister Chuan Likphai discussed enhancing bilateral relations, promoting cooperation for Asia-Pacific development and current affairs in the region, including the nuclear dispute with North Korea, in a meeting at Chongwadae [presidential offices] Friday morning.

Kim, stressing the need to settle the North Korean nuclear row for Asia-Pacific peace and security, explained to Chuan the projected inter-Korean summit on the nuclear and other issues.

He requested that Thailand make additional tariff cuts and offer more cooperation in Korea's corporate investment in the Thai construction and communications industries, as well as its support for Seoul's bids to become a non-permanent U.N. Security Council member and to elect a Korean as World Trade Organization (WTO) secretary-general.

Chuan, supporting Kim's efforts to make the Korean peninsula free of nuclear arms, expressed hope for increased economic cooperation between the two countries.

He said he would positively consider creating an investment climate that favors Korean companies advancing into his country.

Trade Prospects Viewed

*BK2306141194 Bangkok Radio Thailand Network in
Thai 1200 GMT 23 Jun 94*

[Report from Seoul by Somphon Chitphonprasoet, public relations department correspondent]

[Text] Prime Minister Chuan Likphai, accompanied by a delegation, arrived at the Seoul's Air Force Command airport at 1510 local time to begin his official visit to the Republic of Korea from today to 26 June as the guest of Korean President Kim Yong-sam. The prime minister

was welcomed upon his arrival by ROK Foreign Minister Han Sung-chu and Chuchai Kasemsan, Thai ambassador to the ROK. The prime minister was accompanied by the Korean foreign minister and they reviewed the guards of honor. The prime minister and his delegation also visited the Korean national monument for a wreath-laying ceremony.

Speaking about his visit to South Korea, Prime Minister Chuan Likphai said he will take the opportunity to discuss with Korean leaders about the trade imbalance problem and will persuade South Korea to invest more in Thailand. He noted that Korean investment in Thailand is still very low. He looks forward to the possibility of Korea's opening up its markets for farm products from other countries, especially rice from Thailand, in keeping with the GATT agreements. It is anticipated that Korea might import as much as 50,000 tons of rice from other countries next year. How much of that quota Thailand will be allocated depends on the negotiations. The prime minister said that South Korea is a GATT member and despite its political problems, the country will have to abide by GATT agreements and open the country for farm products.

Prime Minister Chuan Likphai said he also learned that the Board of Investment, or BOI, declared 10 more trade categories entitled to promotional privileges. He will inform South Korean businessmen of this and urge them to invest in Thailand. He wishes to see more investment from South Korea since there is still very little interest in Thailand from South Korean businessmen, who still prefer to invest in Vietnam. Korea, he said, is facing a growing wage problem and he will persuade Korean investors to invest in Thailand.

Minister Urges UR Ratification by 'This Year'

SK1806004494 Seoul YONHAP in English 0002 GMT 18 Jun 94

[Text] Seoul, June 18 (YONHAP)—Foreign Minister Han Sung-chu said Friday the country should complete National Assembly deliberation of the Uruguay Round agreement this year since the United States and other major nations are taking domestic steps to effectuate the accord next Jan. 1.

While briefing Democratic Liberal Party Chairman Kim Chong-pil on the government's position on ratification at Kim's office, Han said the accord's passage this year at the National Assembly was needed to help the government stand firm in the trade diplomacy arena and improve the export environment.

Foreign Minister Congratulates Group of 77

SK2406085594 Seoul YONHAP in English 0743 GMT 24 Jun 94

[Text] Seoul, June 24 (YONHAP)—South Korean Foreign Minister Han Sung-chu sent a congratulatory message to the Group of 77 on its 30th anniversary Friday, praising its continued efforts to stand by developing countries.

"On the occasion of the 30th anniversary of the founding of the Group of 77, it is my wish that the members of the Group of 77 renew their commitment to the goals set forth upon its founding 30 years ago: To promote joint action among developing countries based on their shared and common concerns," Han said in his message.

"It is our hope that the active commitment of all the group's members will boost the Group of 77 to a new level of effectiveness in the next 30 years, and strengthen its impact on the world community," he said.

Exports Lag Behind PRC, Taiwan, Hong Kong

SK2206113694 Seoul YONHAP in English 1027 GMT 22 Jun 94

[Text] Seoul, June 22 (YONHAP)—South Korea lagged behind the "three Chinas"—China, Taiwan and Hong Kong—in terms of exports so far this year.

According to the trend of exports by South Korea's major rival countries disclosed by the Korea Trade Promotion Corp. on Wednesday, South Korea's exports totaled 33.5 billion dollars in the first five months of this year whereas the amount was 37.5 billion dollars for China and 36.1 billion dollars for Taiwan.

Hong Kong exported 43.1 billion dollars already in the first four months.

The rate of exports growth was 12 percent for South Korea, much more than Taiwan's 3.3 percent. But, it was just about half as high as China's, 24.1 percent.

In the January-May period, South Korean imports reached 39.05 billion dollars, slightly less than China's 39.28 billion dollars.

*** Prospects, Methods for ROK-Russian S&T Cooperation**

942C00117A Seoul HANGUK KYONGJE SINMUN in Korean 20, 21 Apr 94

[Article in two installments by Kim Tae-hun, director of the Moscow office of KIST's Korea-Russia Science and Technology Cooperation Center: "Plans for Applying Russian Science and Technology"]

[20 Apr 94 p 16]

[Text] No small efforts are being made by ROK industry and research organizations to obtain and make use of superior Russian technology. Kim Tae-sun, director of the Moscow office of the Korea-Russia Science and Technology Cooperation Center—an annex of the Korea Institute of Science and Technology (KIST), sent articles on plans for applying the Russian science and technology he has seen and felt on the scene since May 1992. We present this in two installments.

One of the fields with the greatest prospects for cooperation with Russia is the software industry. Until now,

Russia had no fixed laws on private property. With much investment made in facilities under these conditions, scientific and technological cooperation carries with it many risks of various kinds. One area which is important to us and which minimizes facility investment is the software industry. The shortage of computers is serious even in many of Russia's superior research organizations. Therefore, many research centers make use of PCs (personal computers), even if that is all they have, to conduct applied research. As a result, much software and many applications were developed using PCs.

Another field with prospects for cooperation, even though less known to us, is dedicated IC (integrated circuit) design and manufacturing technology. Unilaterally, Russian IC design and manufacturing technology does not appear to be that superior. Manufacturing technology in particular is lacking: it can be said to be considerably behind Japan and the U.S. in mass-production technology. Therefore, compared to present ROK memory-IC manufacturing technology, Russian technology can be said to be markedly backward.

Thinking about dedicated-IC design and manufacture, even in Russia's present situation, it is a suitable field for technological-cooperation with ROK industry. In Russia there are many organizations capable of designing and manufacturing dedicated IC. The productive capacity of most of these organizations, however, is considerably inferior. That is, although the semiconductor industry is not at a high level, it has many organizations capable of small-quantity-high-variety, dedicated-IC design and manufacturing. The present circumstances thus provide related ROK industries with conditions favorable for cooperation.

As a cooperative sector favorable for dedicated-IC design and manufacturing, it could provide good partners for many ROK enterprises handling the manufacture of electronics-related instruments. In particular, companies making products (for example, medical instruments, communications instruments, and measuring instruments) other than memory chips and similar mass-produced items could select Russian organizations as good partners for the dedicated-IC design and manufacture of electronic-circuit portions of related products.

Russia produces most of the medical instruments manufactured by advanced foreign nations. To put it another way, it can be said to possess technology capable of manufacturing all medical instruments. Even MRI equipment (nuclear magnetic resonance spectrometer) is being produced and distributed. Visiting many medical institutions in Russia, however, one can sense the inferior medical instruments, the deterioration and lack of facilities of most of them. This reality is the result of Russia's overall economic difficulties.

It is also a result of the funding shortages experienced by medical institutions because the medical system is in a transition period, moving from free medical treatment

under socialism to medical treatment for which a fee is charged. Russia's medical-instruments industry is also linked with the program being conducted by the government of privatizing military industries.

It is a well-known fact that Russia's aviation- and space-related technology is advanced. It can be called world class in all areas, from the design of aircraft and spacecraft to the design and manufacture of mechanical and electronic spare parts and new materials technology. However, because aviation- and space-related industries are run by a policy of large-scale investment at the national level, cooperation in this field generally can be achieved by state support or large enterprises. However, there are also fields among related spare-parts industries in which cooperation can be achieved by small and medium-sized business.

Laser-related technology too is closely associated with Russia's advanced military industry. With the program of conversion to civilian industry, many laser-related technologies are being applied in laser-using industrial instruments, medical instruments, laboratory instruments, etc. A phenomenon common to all products made in Russia, technology for the production of fresh commercial products is lacking. Although products are made using superior technology, in various ways they can be said to be inferior compared to the products of advanced foreign nations. Therefore, if this is supplemented by ROK technology, it has the potential for commercial success on the world market.

Through cooperation with Russia, the communications-instruments and spare-parts sectors have potential for making inroads into the world market, and also for making products for sale in Russia. In May 1993, 26 prominent, communications-industry companies entered Russia in the form of a joint venture. Russia is producing TDX (time division exchanges) and other telephone-switching instruments, but its performance is very backward compared to our ROK technology. Therefore, cooperation is possible on the sale or on-site production of ROK products. In the case of cellular-phone, satellite-communications, and optical-communications technology, however, Russia is advanced, making possible varied cooperation in ROK mobile-communications-related industrial sectors.

Other technical fields with prospects for cooperation are the processing-related sectors using nonferrous metals such as aluminum, copper, zinc, and nickel, sectors dealing with the development and application of new materials, and the machine-instrument sector. More detailed, useful information on each sector can be obtained using the relevant reference libraries of the Korea-Russia Science and Technological Cooperation Center.

[21 Apr 94 p 16]

[Text] During the last three years, there has been an exchange between many ROK institutions (research centers, business, universities, etc.) and Russian institutions. They have used various methods of contact and exchange for absorbing Russian technology and applying it to the development of commercial products. Although some businesses have gained a measure of success as a result, most obtained no great results, failing in many cases.

As a result of touring various Russian research institutions and business up to now, the author believes that it would be more useful for ROK small and medium-sized businesses to adopt Russian technology through a cooperative relationship. The reason for this is that, although Russia's technological level is high, it has insufficient linkage of this with mass-production technology, so small-quantity-high-variety production by small and medium-sized business would be profitable.

Characteristic of Russian technology is a lack of systematization of mass-production technology and concepts of production costs. Therefore, if Russian technology is to be introduced and applied from product design to production, there is a high probability of running up against various difficulties and of failure. Judging Russian technology based on finished product alone is not a complete method either. Of course, it is true that if a product's performance is superior, the technology which made that product is superior. However, there are many cases in which a product's technological level is superior, even though its performance is not. In this case, there are many instances in which superior-performance products were simply not made, rather than being impossible to make due to the characteristics of Russian society and the Russian economy.

Technological cooperation with Russia must start with these particular circumstances in mind. Most Russian technology is not directly linked to production. It is technology with no concept of production-cost reduction.

To a certain degree, ROK businesses have their own design and production technology. However, rather than cooperating in all technology from design to production, ROK businesses should form cooperative relationships with Russia after clearly selecting technology we need for specific fields in which it is lacking. Cooperative relationships can take various forms: getting technical training by inviting superior engineers in relevant fields; purchasing desired technology; development based on joint research (paying Russian research institutions a research fee, commissioning technical development); and developing technology by setting up joint-venture research centers in Russia.

Inviting technicians could be an effective method, depending on the kind of technology we need. However,

because there are limitations on the number of technicians who can be invited and on the length of their stay in Korea, this would not be efficient in many cases.

Up to now there has been much technological cooperation between many ROK and relevant Russian institutions in the form of joint research.

Given Russia's present situation, however, this is one of several considerably inefficient methods.

Joint-ventures, in the present circumstances, are considered to enable decreased investment risk while allowing ROK businesses to adopt Russian science and technology. Not costing that much and an achievement of the research and development functions urgently desired by ROK business, the establishment of joint-venture research centers can be said to be ideal.

In special Russian circumstances, the establishment of joint-venture research centers can be said to be very effective for the following reasons.

First, performing research and development through joint investment by both sides, it is possible to carry out all processes through product development together with Russian technicians.

Also, if a contract is concluded so that relevant Russian institutions provide public facilities and laboratory equipment, investment risk will be reduced by minimizing research center set-up costs.

Besides this, use can be made of an excellent research workforce for wages lower than those of researchers at ROK research centers.

This technological development through the establishment of joint-venture research centers in Russia is efficient from various viewpoints. However, ROK companies can be said to have a greater probability of succeeding in research and development if they take the following into consideration.

First of all, having, to a certain degree, its own domestic research workforce, ROK business must lead research operations on site in Russia and must be able to domestically absorb the technology developed. ROK business must be able to handle on its own the commercialization process resulting from the mass production of this technology.

Also, with the concept of carrying out research and development, it must begin a cooperative relationship by using approximately 10-20 percent of funding used in the domestic research centers of ROK companies for research centers in Russia.

However, for genuine success in scientific and technological cooperation, it must start in the concept of mutual ROK-Russian interests.

Further Reportage on Strike Activities, Results

Economic Ministers' Meeting Held

SK2306065694 Seoul YONHAP in English 0626 GMT
23 Jun 94

[Text] Seoul, June 23 (YONHAP)—Locomotive engineers went on strike Thursday morning, paralyzing railroads across the country.

Reacting to a riot police raid on the engineers' sit-in protests earlier in the morning, Chonkihyop, a private "unregistered" union of locomotive engineers, declared a general strike immediately after the raid, four days earlier than originally scheduled.

During the raid, the police, mobilizing over 6,000 riot troopers, took away 613 engineers staging sit-in demonstrations at 14 sites in nine cities for later detention.

The strike reduced railroad transportation, both passengers and cargo, to 11.2 percent of the normal level, the Korean National Railroad said. On the Seoul-Pusan line, the usual 147 train runs a day fell to only 28.

The police sought arrest warrants for seven leaders of Chonkihyop, including Vice Chairman Pak Sang-su.

The Seoul Subway Workers Union threatened to join locomotive engineers in the strike at 4:00 AM Friday if collective bargaining on Thursday fails, while Chonnoda (the National Council of Trade Union Representatives), another dissident unregistered labor organization, is moving toward striking along with Chonkihyop.

Transportation Minister O Myong, saying the police raid was unavoidable to prevent the threatened railroad and subway strikes next Monday, appealed to the striking engineers to return to their duties.

Economic Planning Minister Chong Chae-sok called an emergency economic ministers' meeting to discuss handling the railroad strike and the imminent Seoul subway strike.

Economic losses from the railroad and subway strikes are estimated at 2,950 million won (some 3.6 million U.S. dollars) a day.

Seoul Subway Workers Go on Strike

SK2406011394 Seoul YONHAP in English 0052 GMT
24 Jun 94

[Text] Seoul, June 24 (YONHAP)—Seoul subway workers went on strike at 4:00 AM Friday, leaving hundreds of thousands of commuters stranded during the morning rush hour in the capital area.

The Seoul Subway Corp. set in motion an emergency subway operation plan, using 295 non-striking engineers to start train runs at much longer intervals at 5:30 AM, 30 minutes later than usual.

The workers, sticking to their demand for a 14.5-percent wage hike, turned down the corporation's offer of a 3-percent raise, an informal guideline set by the government to fight inflation.

Railroad engineers also went on strike Thursday, nearly paralyzing railway transportation across the country.

In a related development, subway workers in Pusan, the country's second largest city, shelved a plan to strike Friday morning in sympathy with their colleagues in Seoul.

Government, Workers Positions Viewed

SK2406050994

[Editorial Report] Seoul vernacular newspapers on 24 June carry editorials, reports, and articles on nationwide strikes by locomotive engineers and subway workers.

The pro-government SEOUL SINMUN carries on page 3 a 1,100-word editorial entitled "Should the Innocent Citizens Suffer Pains?" Noting that the railroad is the "main artery of the nation and the subway is the feet of the people," the editorial stresses that their operation should not be suspended under any pretext, and that the "serious traffic disorder" caused by recent strikes by railroad and subway workers is indeed unfortunate.

Pointing to the "deplorable position of the people who can do nothing except watch the strike," the editorial writes that "the one who suffers pains and damages for the strike is none other than the nation and the people," not railroad and subway authorities or their trade unions, asking if the leadership of the railroad engineers and subway workers unions has ever thought about the "catastrophic consequences" to be brought about by their strike.

The daily stresses that the locomotive engineers trade union's demand for improvement of working conditions and the subway workers union demand for a 15.4 percent wage increase does not justify such a drastic act which "restricts the national economy and binds the citizens' feet." The editorial points out that the railroad and subway are different from private enterprises, and moreover, railroad engineers are public service personnel, and the law prohibits their strike and "sabotage." The paper denounces their hasty strike as an act of driving the nation and the people into "a bog of confusion." The editorial emphasizes that the people do not think that "the demand of unionized subway workers is urgent nor has justification and that their strike cannot evade condemnation by the citizens as an act of betrayal." The paper writes that the railroad and subway are "possessions of the nation and the people," not of the government or the trade unions. The editorial concludes by stressing that "it is a most urgent task, which should be resolved before anything else, to normalize the operation of the railroad and subway."

The left-leaning HANGYORE SINMUN publishes on page 3 a 3,000-word editorial, under the headline, "Who

Has Stopped the Train?—The Government's Hardline Measures Cause Catastrophe."

The editorial points out that the "serious traffic disorder" caused by the suspension of train and subway operation is "the result of the government's wholesale roundup of striking locomotive engineers" in a bid to prevent the strike of railroad and subway workers slated for 27 June, defining this step as "the worst choice" among measures for resolving the labor-management dispute. Thus, the editorial writes, the very "ringleader" who caused a catastrophe is none other than the government, and the government's step even violates the law, because the workers taken to the police did not refuse routine daily work nor did they disturb normal operations. Branding the government's arrest of the leaders of the workers in strike as an "excessive step," the editorial observes that the strike was prompted by "outdated labor management and the policy of unreasonable repression of wages" by the railroad authorities and that the workers' demand reflects the urgency in their working condition and everyday life. The paper then notes that the demands of workers in the past were "ignored and refused" by the authorities, who are the users of workers.

The editorial stresses that the government should have shown "a sincere attitude" to make its best efforts for a satisfactory solution of the dispute instead of shifting the responsibility to the workers. The paper then calls on the government to release all arrested workers and to provide the union leaders with the opportunity to participate in negotiations with the government for a solution to the dispute. While urging the workers' side to show a sincere attitude for a solution of the situation if the government puts forward concrete measures, the editorial calls on the press to make a fair and impartial report. The paper urges the people "not to condemn only the workers' side but patiently endure personal inconveniences and wait for the satisfactory settlement of the situation."

The moderate HANGUK ILBO publishes on page 30 a 1,000-word article by reporters Son Yong-kyu and Pak Chon-ho on citizen reaction to the railroad and subway workers strike:

Chang Chun-su (age 36, businessmen living in Puyong Apartment Complex in Pyongchon, Kyonggi Province): Trade union workers should not victimize the citizens' everyday life to accomplish their demands. The attempt of some workers to sacrifice all the people for the interest of some trade union workers should not be pardoned.

Yu Hui-su (40, business company employee): The attitude of the locomotive engineers trade union to accomplish their will by binding the citizens' feet is erroneous. The government is also responsible for failing to prevent the paralysis of the national economy. Both sides should show the will for a satisfactory solution to their dispute at an early date.

So Kyong-sok (member of the National Federation for Economic Justice): Drastic actions causing acute confrontation are always a problem. The illegal strike by railroad workers can hardly win the support of the people. A matured attitude for a solution through dialogue and negotiations is urged.

Kim Song-su (40, public service official): Both sides should show an attitude of making concessions. The government should also show a more sincere attitude for negotiation with workers. The citizens' unrest is increasing for the strike, in addition to the North Korean nuclear issue.

Rail Workers Ordered To Return

SK2406070994 Seoul CHUNGANG ILBO in Korean 24 Jun 94 p 1

[Text] The National Railroad Administration [NRA] decided to deprive locomotive engineers who belong to the National Council of Locomotive Engineers of their public service official status if they do not report to work by 1000 AM on 25 June, considering that they have no intention to work for the railroad any longer if they do not return to work by that time.

Some railroad workers left their work sites and as a result, railroad operations have been repeatedly crippled, thus causing confusion in society and to the national economy. In view of the fact that this has a serious impact on overall national affairs, the NRA issued "an emergency service directive" on the morning of 24 June, and made a decision for such deprivation.

The NRA has estimated that the number of workers who belong to the council and will not return to work by the deadline will reach approximately 400.

[The newspaper adds in another article, that the NRA reports trains are operating at 12 percent capacity as of the morning of 24 June.]

Chonnodae Threatens General Strike

SK2406104294 Seoul YONHAP in English 1020 GMT 24 Jun 94

[Text] Seoul, June 24 (YONHAP)—The National Conference of Union Representatives (Chonnodae) threatened on Friday to enter general strikes at major industries across the country unless the government sets free arrested train operators and meets other union demands promptly.

In a press conference at the social service hall of Sungsil University, Chonnodae leaders said that if their demand goes unheeded, the unions of about 100 industries would go on general strikes beginning next Monday.

The strikes will begin at some 30 firms including Hyundai Heavy Industries Co. and Daewoo Shipbuilding and Heavy Machinery Co. where unionists have already voted for strikes.

The Chonnodae leaders claimed that the use of police force against the striking train operators early Friday morning was "an express illegal action."

They then demanded the immediate resignation of Home Minister Choe Hyong-u, release of arrested train operators and recognition of Train Operators Union (Chonkihyop) as an official dialogue conduit.

The Train Operators Union (Chonkihyop), too, vowed on Friday to carry on their strike unless the police release all the persons arrested and apologize for use of police force against their striking unionists.

Choe Chi-hwan of the union told reporters at the Christian Hall at Yonji-tong that his union, however, asked the Korean National Council of Churches (KNCC) to mediate between them and the government based on their demands.

Meanwhile, the Seoul Subway Corp. reacted furiously against subway workers' strike on Friday, suing 41 unionists actively involved on charges of violating the law on labor disputes.

The Corp. also relieved 24 leading union officials of their duties.

Corp. President Han Chin-hi warned that striking workers should report to work by 11 A.M. Saturday or face disciplinary actions including dismissal.

Prime Minister Issues Statement

*SK2406105594 Seoul YONHAP in English 1043 GMT
24 Jun 94*

[Text] Seoul, June 24 (YONHAP)—Prime Minister Yi Yong-tok on Friday said the government would make multi-pronged efforts to elevate workers' interests, but warned that it would not tolerate unlawful strikes under any circumstances.

In a statement issued on the railroad and subway workers' strikes, Yi said his government would not compromise with unlawfulness and sternly deal with the incident if only for the civilian-led government to fulfill its duty to promote democratization.

The statement was made soon after he presided over an emergency ministers meeting at the Sejong-ro government building.

The prime minister said in the statement that the railroad workers' strike was illegal since, he said, it was staged by those who are public officials in status and who, therefore, have no right to collective actions.

Saying that split and confrontation within the country serve no national interests, Yi said the government would sincerely try to improve working conditions if striking workers regain reason and return to normal work.

Provincial Police Stop Pursuit of Demonstrators

*SK2306105594 Seoul YONHAP in English 1013 GMT
23 Jun 94*

[Text] Kwangju, June 23 (YONHAP)—The South Cholla Province police here on Thursday afternoon ceased to ferret out the Namchongnyon students involved in the recent violence and withdrew riot police from numerous road check points in the outlying areas of Kwangju.

The police had been rounding up those students actively involved in the commandeering of a passenger train near here and subsequent violent clashes with police in Seoul over the weekend.

So far, 185 students were caught, of whom 38 were placed under arrest and 25 others booked without physical restraint. Nine were still being questioned and 113 were set free, a police source said.

The stoppage of the police action came hours after a group of civic leaders in Kwangju called at both the police and the Namchongnyon student organization.

Meeting with South Cholla Police Commissioner An Pyong-uk at his police office, the civic leaders asked him to refrain from using his police force excessively.

Also calling on Namchongnyon Chairman Yang Tonghun at Choson University, they stressed that apart from the cause of the recent incident, it would be proper for his organization to admit to mistakes displayed in the course.

The nine met over breakfast Thursday morning and decided to mediate between the police and students. They included Profs. Myong No-kun and Yi Kwang-u of Chonnam University, Lawyer Yi Ki-hong and Catholic Father Cho Pius.

Activities of Dissident Student Groups Viewed

*SK2306122494 Seoul CHOSON ILBO in Korean 23
Jun 94 p 4*

[Article by reporters Yi Chang-won, Kwon Kyong-on, and Pak Sun-uk: "National Federation of University Student Councils Plans To Send Delegation to Pyongyang"]

[Excerpts] Following the forcible stoppage of trains and radical demonstrations by the Federation of University Student Councils in Kwangju and South Cholla Province Area [Namchongnyon], the National Federation of University Student Councils [Hanchongnyon] is pushing ahead to send its delegation to Pyongyang. This is timed to coincide with discussion of holding a North-South summit and with the North Korean side's pushing for a "15 August pannational meeting" as part of its united front strategy. If Hanchongnyon sends a delegation to Pyongyang, it will cause considerable disturbances to North-South relations.

Hanchongnyon (chairman Kim Hyon-chun, president of General Student Association of Pusan University) on 22 June announced that "Hanchongnyon has been preparing to dispatch a delegation to North Korea for two months in compliance with the proposal of the joint secretariat in Berlin of the Pannational Alliance of Youth and Students for the Country's Reunification [Pomchonghangnyon]." Hanchongnyon also revealed that "since the atmosphere for a North-South summit has ripened recently, the decision to push for dispatching a delegation has been discussed cautiously." It was learned that Hanchongnyon has discussed in-depth the cancellation of sending its delegation to North Korea in consideration of the situation, which has changed significantly from last April, and criticism that its delegation's North Korean visit might possibly hinder the realization of a North-South summit.

Hanchongnyon revealed that in the event that it finally decides to send a delegation to the North, it will dispatch Choe Chang-nam (25, co-secretary of Pomchonghangnyon and a Seoul National University student temporarily out of school) to North Korea to call for the holding of a North-South summit at an early date through talks with President Kim Il-song. As agenda items for the summit, he will propose an early settlement of the nuclear problem, methods for national reunification, and formulation of a North-South commonwealth before the reunification. Hanchongnyon is also pushing ahead with talks between Kim Hyon-chun, Hanchongnyon's chairman sought by the police, and President Kim Yong-sam, in which Kim Hyong-chu will explain positions of Hanchongnyon to the president. [passage omitted]

According to material from the prosecutor's office, Pomchonghangnyon, where Choe Chang-nam is working as its co-secretary, has three headquarters, including the South side's headquarters, the North side's headquarters, and overseas headquarters. Each headquarters has a congress (composed of 200 members); central committee (25 members), and joint secretariat (5 members). The secretariat of Pomchonghangnyon is made up of Pak Song-hui and Song Yong-song, the South side's delegates who visited North Korea in 1991; Choe Kyong-chol, the North side's delegate; and Cho Son-o and Hwang Yong-chi, delegates from overseas headquarters who are living in Japan. Realizing that the Pak Song-hui—Song Yong-song team is too weak, Hanchongnyon additionally dispatched Choe Chang-nam to the secretariat.

A relevant official from the prosecutor's office revealed that Pomchonghangnyon planned to hold a congress in Pyongyang from 27 to 29 May, timed with Hanchongnyon's inauguration ceremony, and to dispatch Choe Chang-nam to the North as the South side's delegate. However, in the wake of Hanchongnyon's inauguration ceremony, public law enforcement authorities blocked Hanchongnyon's contact with the North side through telephone and facsimile, and raised Hanchongnyon's nature as benefiting the enemy. As a result, there is an

unfavorable attitude toward Hanchongnyon, and its congress has been postponed until 15 August.

Choe Chang-nam left for Berlin without informing his parents and friends and sent a letter to his parents in Kwangju on 4 November 1993, writing that "he will grandly launch the work for national reunification," and informed them of his recent activities, writing that "he is attending an educational institute with Song Yong-sung to learn German."

Hearing about his son's visit to North Korea, Kim Si-u (58), Choe's mother, said absent-mindedly that "all this would not have happened if he did not go to the college. I hope he comes home safely without visiting the North."

DLP To Nominate Hwang Nak-chu Assembly Speaker

SK2306025994 Seoul YONHAP in English 0057 GMT 23 Jun 94

[Text] Seoul, June 23 (YONHAP)—The ruling Democratic Liberal Party [DLP] has decided to nominate Rep. Hwang Nak-chu as the new speaker of the National Assembly to succeed Rep. Yi Man-sop, it was learned Thursday morning. Incumbent speaker Yi's term expires on June 28.

A party source said two lawmakers—Yi Chun-ku and Kim Yong-tae—are candidates for the post of assembly vice speaker, but Yi is considered the front-runner, party insiders said.

DLP Chairman Kim Chong-pil will meet with President Kim Yong-sam at Chongwadae Thursday morning to get the president's approval for the candidate roster for the parliamentary posts which also include committee chairmen.

A source said Rep. Pak Hui-tae is the likeliest candidate for chairman of the Legislation-Judiciary Committee while Reps. Yi Sung-yun and Kim Ki-pae are hoping to chair the Foreign Affairs and National Unification and Home Affairs Committees, respectively.

National Defense Committee Chairman Rep. Sin Sang-u and Ethics Committee Chairman Rep. Yi Chong-kun are likely to be retained.

The chairman of the Information Committee, which will be newly installed soon, will be either Rep. Hwang Myong-su or Rep. Chong Chae-mun.

Government Considering Pay Raise in 1995

SK2306070294 Seoul YONHAP in English 0424 GMT 23 Jun 94

[Text] Seoul, June 23 (YONHAP)—The government is holding consultations among relevant ministries to raise next year's pay for civil servants by 6 percent to 7 percent.

The Economic Planning Board [EPB] said Thursday that the government has already begun detailed calculations to hike public employees' salaries next year at a rate similar to this year's 6.2 percent.

In addition to the pay rise, the government is considering increasing the number of primary and secondary school teachers, judges and prosecutors slightly. It is also considering a differential payment of managerial job allowances, which are now uniformly paid to officials of grade four and above, so that those doing a good job would receive better treatment.

This year's salary for civil servants is 90 percent of that for state-run businesses and the government may push its employees' salaries up to 94 percent next year and 97 percent in 1996. From 1997, pay for officials would be the same as that at state-run enterprises, according to an EPB official.

Meanwhile, the government will freeze the total number of employees next year under its principle of "small government," except that it will newly employ 2,000 more school teachers and 50 additional judges and prosecutors.

Seoul Decides To Lift Restrictions on Hyundai

SK2306100694 Seoul YONHAP in English 0707 GMT
23 Jun 94

[Text] Seoul, June 23 (YONHAP)—The government decided to lift all financial restrictions on the Hyundai Business Group Thursday, one day after President Kim Yong-sam's pronouncement that no businessmen should suffer from factors unrelated to the economy, according to government sources.

The government decided to allow Hyundai to issue Deposit Receipts (DR) abroad and to receive loans for the expansion of production facilities from the Korea Development Bank (KDB) as soon as possible, the sources said.

The government had already accepted applications Tuesday from three Hyundai subsidiaries—Hyundai Heavy Industries, Hyundai Housing and Industrial Development and Hyundai Elevator—for registration on the over-the-counter (OTC) market.

Five Hyundai subsidiaries, including Hyundai Merchant Shipping and Koryo Industrial Development, that have already applied for OTC registration will be treated the same as other firms if they seek listing on the stock market, said the sources.

Hyundai will be allowed to float deposit receipts abroad during the fourth quarter because the Korea Securities Dealers' Association has already given the go-ahead to companies issuing DRs in the third quarter, they said.

Hyundai will also be entitled to receive KDB loans during the year because the KDB accepts loan applications at any time, they said.

President Kim had announced at a meeting of businessmen Wednesday that no business should be subjected to favors or disadvantages for political reasons, hinting at the lifting of all restrictions on Hyundai.

Hyundai has reportedly faced great difficulty in proceeding with various projects after the government imposed financial sanctions on the nation's largest business group in the aftermath of honorary Chairman Chong Chu-yong's run for the presidency in the 1992 election.

Burma**Than Shwe Receives PRC Military Delegation***BK2306141494 Rangoon Radio Burma in Burmese
1330 GMT 23 Jun 94*

[Text] Senior General Than Shwe, prime minister of the Union of Myanmar [Burma], defense minister, and commander in chief of the Defense Services, received a visiting Chinese military goodwill delegation led by General Li Jiulong, commander of the Chengdu Military Region of the People's Liberation Army, at the Ministry of Defense's Dagon House at 0930.

Also present at the meeting were General Maung Aye, deputy commander in chief of the Defense Services and army commander in chief; Vice Admiral Than Nyunt, navy commander in chief; Lieutenant General Thein Win, air force commander in chief; Lt. Gen. Khin Nyunt, chief of strategic studies of the ministry of defense and director of the Directorate of Defense Services Intelligence; Lt. Gen. Tin U, commander of No. 1 Bureau of Special Operations of the Defense Ministry and army chief of staff; Mr. Liang Feng, ambassador of the People's Republic of China; and Colonel (Li Hua Ziang), PRC military attache.

Malaysian Primary Industry Minister Arrives*BK2306143494 Rangoon Radio Burma in Burmese
1330 GMT 23 Jun 94*

[Text] Lieutenant General Tun Kyi, member of the State Law and Order Restoration Council and minister of trade, welcomed Datuk Sri Dr. Lim Keng, primary industries minister of Malaysia, and a seven-member entrepreneurial delegation at Yangon [Rangoon] airport at 1550. Trade Minister Lt. Gen. Tun Kyi hosted a dinner in honor of the visiting Malaysian delegation at the People's Park Restaurant in the evening.

Shan Rebels Burn Five Houses in Taunggyi*BK2306143694 Rangoon Radio Burma in Burmese
1330 GMT 23 Jun 94*

[Text] A group of 30 SURA [Shan United Revolutionary Army] terrorist insurgents led by Myint Thein looted valuables from villagers and burned five houses at Kandwe Village, Nantaung Village-tract, Taunggyi Township, at 2230 on 13 June. The group also raped a young woman and abducted two villagers.

As soon as the news was received, a regional military column pursued the SURA insurgents. Members of the regional military column, responsible personnel, and the local people immediately constructed temporary shelters for the victims.

Brunei, Malaysia & Singapore**Malaysia****U.S., Western Opposition to EAEC Criticized***BK2306142794 Kuala Lumpur BERITA HARIAN in
Malay 17 Jun 94 p 10*

[Editorial: "The EAEC: the Major Powers Have Failed To Fulfill Their Promises"]

[Text] Although human civilization is said to be reaching its climax, the colonial mentality remains entrenched in most Western nations, especially in the major powers. They try to impose their values and initiatives on small nations but strongly object to views from small countries or groups of small countries in the Third World. The United States is a major power that adopts such an attitude.

Washington's opposition to the proposal to establish the East Asian Economic Caucus [EAEC] is proof of how a major power deprecates and tries to push aside any proposal from the Third World, in this case ASEAN. The United States has acted "elusively" by prevailing over Japan, another major power and economic giant.

In fact, Datuk Sri Dr. Mahathir Mohamed has already sensed the American reaction. For him, Malaysia is prepared to face the U.S. opposition. The prime minister said he had gotten information about Washington's stance, although it had been announced [as published] to the Japanese Government. Malaysia may ask Japan or China for cooperation.

Beijing's cooperation is important for the EAEC's success. China's interests were apparent in the U.S. action extending China's MFN [most favored nation] status for another year early this month despite human rights violations there. Washington is powerless to impose its wishes on China because it realizes that China has great economic power. The volume of trade between the two nations is estimated at RM [Malaysian ringgit] 100 billion.

Assuming the U.S. presidency January last year, Bill Clinton pledged to establish closer relations with Asia, which absorbs 60 percent of Washington's total exports. A few months later, Clinton was however mired in various regional problems, mainly over the implementation of his campaign promise to fight for human rights and establish Western standards in a region which he fails to understand. In addition to facing problems over his policy toward China, Clinton also made a major error that hurt Malaysia. He convened the first summit of the Asia-Pacific Economic Cooperation [APEC], which was made up of 15 members (now 17 members), including ASEAN, in Seattle by the end of last year without taking into account the views of other member nations. The prime minister, who foresaw that APEC would be monopolized by major powers, was reluctant to attend it.

Australian Prime Minister Paul Keating tried to exploit the matter by describing Dr. Mahathir as a "recalcitrant."

Clinton, who realized his error during the APEC summit, later adopted a wait-and-see policy toward the Malaysian-mooted EAEC idea. However, the United States is undertaking a campaign to persuade APEC members not to support the EAEC idea while adopting the wait-and-see policy. Besides the United States, Australia is also trying hard to foil the establishment of the EAEC. During a press conference in Manila last Monday, Foreign Minister Gareth Evans openly said that the EAEC may undermine cooperation among nations in the region. He warned that any regional trade group which excludes the United States will only pose a great danger.

Evans claimed that the EAEC would not pose a threat if it became just a consultative forum within APEC. Once again, a major power has tried to prove that the idea of a group of developing nations was unacceptable to developed nations. We are not surprised over Evans' remarks or the latest U.S. opposition to the EAEC. The two nations have adopted a deprecatory attitude toward the idea; however, in the beginning they did not openly show their opposition.

The United States is now claiming that it is trying to understand the problems of Asian nations. U.S. officials admitted that Washington's policy toward Asia faced problems last year but said that its relations with the region had returned to a correct path. However, we feel that the United States and its allies have failed to fulfill their promises. Their opposition to the EAEC shows their distrust of Asian nations. Their opposition also shows their power and is not in the interests of the world community.

Envoy to Japan Criticizes Tokyo's Stance

*OW2306110994 Tokyo KYODO in English 0850 GMT
23 Jun 94*

[Text] Tokyo, June 23 KYODO—The Malaysian envoy to Tokyo criticized Japan on Thursday [23 June] for remaining noncommittal on the planned East Asian Economic Caucus (EAEC), saying Japan's position depends on that of the United States.

In a speech at a Tokyo hotel, Malaysian Ambassador to Japan H. M. Khatib said Japan has not yet made a decision on whether to join the EAEC because it is "very concerned" about the U.S. position on the caucus.

Japan initially said it was waiting for a consensus on the plan by the Association of Southeast Asian Nations (ASEAN), but is still undecided even after a consensus was reached, he said.

"All it has said so far is that it is still studying the proposal and is waiting for more details about operational aspects of the EAEC," Khatib said in the speech sponsored by the Asian Affairs Research Council.

"It seems clear to us that Japan's position on the EAEC is dependent on the U.S. position," he said. "As long as the United States remains opposed to the EAEC, Japan has excuses not to be part of this caucus."

He said it would be a "pity" if Japan, which could play an important part in the EAEC, would cause the EAEC project to stall, pointing out that Japan's absence from the caucus would make China and South Korea reluctant to participate.

But he said ASEAN would wait for Japan to make a decision because Japan is important for the caucus.

Malaysian Prime Minister Mahathir Mohamed proposed the establishment of the EAEC in 1990. The potential members include Japan, South Korea and emerging Southeast Asian nations.

Khatib said the EAEC aims at promoting an open and free trade system and is not meant to be a closed, inward-looking trade bloc. It is also compatible and unconflictual with the Asia-Pacific Economic Cooperation (APEC) forum, he said.

The envoy said ASEAN believes the U.S. would approve of the EAEC once it has a better understanding of the idea, so that ASEAN will continue to be "transparent" with the U.S. about it.

But if the U.S. still cannot "rid itself of its own difficulties" despite the transparency, ASEAN hopes the U.S. will not take any "measures destructive of this positive effort to further enhance growth of East Asian economies which will also benefit the U.S. in turn," he said.

"It really is unwise for anyone to kill the goose that could lay enough golden eggs for all," he said.

Mahathir, who boycotted the U.S. invitation to an informal APEC summit in Seattle last November, will attend another summit in Indonesia this fall, he said.

Cabinet To 'Wait and See' on Israeli Ties

*BK2406072594 Kuala Lumpur Voice of Malaysia in
English 0600 GMT 24 Jun 94*

[Text] Foreign Minister Datuk Abdullah Ahmad Badawi said Malaysia is not ready to establish diplomatic relations with Israel, although the latter wants to do so. This was decided by the Cabinet at its last meeting. He said the prime minister, Datuk Sri Dr. Mahathir Mohamed, mentioned Israel's request but the Cabinet wants to wait and see how sincere Israel is in adhering to the peace agreement it signed with the Palestine Liberation Organization before making a decision. Datuk Abdullah told reporters this at a diplomatic corps night organized by the National Press Club in Kuala Lumpur.

Industry Minister Departs for Burma

*BK2306114994 Kuala Lumpur BERNAMA in English
0922 GMT 23 Jun 94*

[Text] Kuala Lumpur, June 23 (OANA/BERNAMA)—Malaysian Primary Industries Minister Dr. Lim Keng Yaik left for a six-day visit to Myanmar [Burma] Thursday at the head of an official delegation to enhance bilateral trade relations between the two countries.

Priority areas for discussions during the visit would be palm oil, forestry, timber and minerals, he said in a statement issued here.

While there, he would be calling on the trade minister, finance and revenue minister, forestry minister, agriculture minister and minister for mines as well as meet public and private sector organisations.

Dr. Lim said he would also take the opportunity to seek business and investment ventures in other areas that could be explored by the private sector.

Myanmar was becoming an important market for Malaysian palm oil since exports of the commodity to that country had increased from 78,355 tonnes in 1990 to 146,752 tonnes last year, he added.

Palm oil, which constituted 40 percent of Myanmar's oils and fats consumption, was wholly imported.

Dr. Lim said there were at present no joint ventures in the palm oil sector between Myanmar and Malaysia.

With the signing of the U.S.\$25 million credit under the palm oil credit payment arrangement (POCPA) and increasing consumption of palm oil in Myanmar, there is a potential for some kind of collaborative and joint venture arrangements in the area of palm oil to be established, he added.

This included the setting up of refineries, bulking and packaging of palm oil products for local consumption as well as distribution to neighbouring countries.

Dr. Lim said Malaysia could also explore the possibility of establishing joint ventures with Myanmar in developing its mining industry since the country was well known for its rich mineral resources such as petroleum, coal, tin, zinc, iron and precious stones.

Malaysian exports of mineral-based items to Myanmar increased from RM7.5 million [Malaysian currency] (U.S.\$1; RM2.5) in 1990 to RM55.6 million last year while Malaysia's imports from Myanmar had remained static at RM14.8 million last year.

Commentary Calls for Economic Openness

BK2306115594 Kuala Lumpur Voice of Malaysia in English 0810 GMT 23 Jun 94

[Station commentary]

[Text] The Asia-Pacific is one of, if not, the most dynamic regions in the world. Spectacular economic growth of fast developing countries of the region has been an inspiration and sometimes the envy of the rest of the world. However, this fortunate position should make the Pacific community inward-looking and discriminating against the other regions. As the prime minister, Dr. Mahathir Mohamed, told the Pacific Basin Economic Council at its general meeting in Kuala Lumpur recently, we would be foolish if we of the Pacific got together in order to circle our wagons to raise barriers and to keep everyone else out.

The Malaysian leader knew what he was talking about. The Pacific Basin owes it to themselves and the global community to build upon the first foundation of a liberalizing economic system that will eliminate the obstacles to the flow of goods and services worldwide. That is the objective of the new world economic order as enunciated in the Uruguay Round. That spirit must be maintained at all times if the world is to progress harmoniously together. There are bound to be differences in approach towards achieving that goal. But there is a wealth of opportunities to work with those whose interest vary from one to the other. There are possibilities for agreements to be reached without creating insurmountable stumbling blocks in the way of progress and prosperity.

The Pacific era must be one in which areas of cooperation must be identified and utilized for the common good. These can include fields of communication, infrastructure development, banking and financial services, telecommunications, energy utilization, technology transfer, joint business ventures and above all, increase trade with and among each other. Malaysia has drawn praise from the EEC secretary general for its positive support for the speedy conclusion of the Uruguay Round.

What is crucially important in this era of tension and conflict in different parts of the world is for peace, stability and security to prevail in the Asia-Pacific region. Everyone is aware that there is conflict potential in some areas of this region. If this is allowed to get beyond control, the entire strategic picture and future of the Pacific may be changed. But fortunately for the Pacific countries, the atmosphere has been made conducive for peace through political, social, and economic stability. The important thing for the countries in this region to pursue is to maintain this trend in order to replace enmity, confrontation, suspicion, and hatred wherever they may exist with a spirit of cooperative peace.

The Pacific era has dawned. The basin must strive toward open regionalism not only in the Pacific itself but at a global level as well.

Palm Oil Campaign Said To Be Intensified

*BK2306121294 Kuala Lumpur BERNAMA in English
0941 GMT 23 Jun 94*

[Text] Kuala Lumpur, June 23 (OANA/BERNAMA)—Malaysia will step up its campaign on the use of palm oil among the people of China, which is the second largest importer and consumer of Malaysian palm oil, Malaysian Palm Oil Promotion Council chief executive Dr. Yusof Hashim said Thursday.

He said China, which imports 769,454 tonnes of palm, had potential to overtake Pakistan as the biggest consumer of palm oil in the world in view of its large population.

He (?told) a press conference that a three-week mission would be sent to Beijing, Shanghai and Guangdong next month to explain the uses and advantages of palm oil.

He believed the mission would be successful because the use of palm oil in China was currently confined to making noodles and soap.

Palm oil is not sold as cooking oil in China. The campaign will concentrate on the housewives and if it is successful, the use of palm oil will increase manifold, he said.

Dr. Yusof also said that Indonesia was expected to rival Malaysia as the biggest palm oil producer in world by the year 2010 when its production caught up with Malaysia's at 10 million tonnes. Malaysia produced 7.4 million tonnes last year and 7.5 million tonnes this year.

However, this would not affect Malaysia's exports as most of the Indonesian production was for local consumption and the world demand for palm oil was increasing yearly, he said.

On the anti-palm oil campaign in the United States, he said the U.S. Federal Drug Administration (FDA) had extended by three months to Aug 28 the deadline to remove the no palm oil label on cans and foodstuff.

He said consumers in the U.S. had now changed their attitude and were beginning to try out palm oil while some big fast-food chains like Burger King in Florida had asked for samples for trial tests.

Cambodia

Hun Sen's Letter to King Sihanouk Reported

*BK2406094394 Bangkok THE NATION in English
24 Jun 94 p A6*

["Full Text" of Cambodian Prime Minister Hun Sen's Letter to King Sihanouk—date not given]

[Text] May I beg your Majesty's forgiveness for any possible inappropriate expressions that might occur in my letter and the inconveniences it created to Your Majesty while you are on your medical treatment.

I was forced by the current situation to write this letter which is intended on the one hand to make clarification on a number of issues, and on the other hand to solicit Your Majesty's advice on some issues that I have to address, namely the solution to be brought to the Khmer Rouge problem and the issue of conferring state power to Your Majesty.

Regarding the solution to the Khmer Rouge problem, so far some allegations have been made that my humble person as well as Samdech Krompreah Norodom Ranariddh, especially my humbleself were the obstacle to any accommodation with the Khmer Rouge, moaning that "Hun Sen is the hardliner opposed to any accommodation with the Khmer Rouge."

In this regard, I could not really understand, because I have done nothing but conforming myself to the Constitution which resulted from the elections. Concerning the Khmer Rouge problem, it is well known that the Khmer Rouge are opposed to the Paris Agreements, to the elections, to the Constitution, and to the elected Royal Government.

Now, they oppose Your Majesty's initiative of national reconciliation starting with the ceasefire. They even dare to demand that a new government be formed which is tantamount to the dissolution of the legitimate institutions resulting from the elections and to nullifying all the efforts jointly exerted by the whole Cambodian people and the international community in implementing the Paris Agreements.

They are continuing this warfare, the assassination of innocent people, committing untold tragedies to the nation and to the people and yet the Khmer Rouge could get away with it and everything was blamed on Ranariddh-Hun Sen who are only exercising their legal obligations of protecting the people.

Some people said that the Royal Government refused to accommodate because it preferred the military option to destroy the Khmer Rouge. In this regard, allow me to say, Your Majesty, that for the moment, the Royal Government has no choice. The two rounds of Round Table (peace-talks) failed because of the Khmer Rouge. May I also inform Your Majesty that my humble person, Hun Sen, now is a little bit different from the Hun Sen prior to the Paris Agreements and from the post-election Hun Sen: then I had two important options either to continue to fight or to seek a solution by ways of the Paris Agreements, either not to accept the election result and to rekindle the flame of war or to accept the election results to avoid warfare and to create conditions for national reconciliation.

But for the moment, the Khmer Rouge do not leave Samdech Krompreah and myself with any option since the Khmer Rouge have decided to opt for warfare against the nation and the population. There are indeed two other options that I certainly could not go along:

1. to accept the Khmer Rouge demands of dissolving the National Assembly, the elected Royal Government and to form a new government with the Khmer Rouge in it. Proceeding this way is equivalent to a cool coup d'etat since even the Constitution will have to be scrapped or suspended. I have no mandate to go that far, but this is the prerogative of the National Assembly. But in my capacity as an MP, I will certainly vote against such a proposal because it constitutes an outrageous concession tantamount to a legal coup d'etat to dissolve the Constitution, to dismantle the National Assembly and the Royal Government elected by the people. It is also a big blow to the achievement of the UN operation in Cambodia just for the sake of exchanging it with the participation of the genocidal group.

2. for the sake of avoiding combat initiated by the Khmer Rouge's offensive, the Royal Government was forced to withdraw from the areas where the Khmer Rouge aim to occupy. Doing so would allow the Khmer Rouge to expand their control over the territory and the population, and it will not be long before the Khmer Rouge would control the whole of Cambodia. For me, the above two options are impossible. But I don't know whether there are any personalities who can accept the above two mandates. If there are, they should come out to take my position and carry out these tasks, which is better than to go about fomenting social unrest.

Your Majesty,

There were times when I did not want to hear allegations that "Hun Sen was the obstacle to accommodation with the Khmer Rouge," I picked up my pen and wrote my resignation, so as to make way for the Khmer Rouge easy return. But this act of mine would have resulted in the disappointment among the population and would provide a good opportunity for Khmer Rouge genocidal group, pro-Khmer Rouge group, Khmer Rouge sympathizers and those who use the Khmer Rouge as counterweight to achieve their objectives, to be satisfied as they no longer need to destroy the achievement of the Paris Agreements to come to power illegally.

After having enough said of the Khmer Rouge problem, may I now turn to the issue of conferring the state power to Your Majesty.

On this issue, I prefer not to make any judgment because I have received two different sets of information. The first one directly from Your Majesty on the morning of May 18, 1994 when Samdech Chea Sim and myself accompanied Your Majesty and Samdech Preah Mohesei from the Royal Palace to Pochentong Airport. Your Majesty mentioned that "there are people who accuse me of wanting to take power. But I am too old, what do I want the power for? And the Constitution provides that the King reigns but does not govern."

Successive information received also proved that Your Majesty denied the allegations that Your Majesty wanted to resume power.

Another set of information was that Your Majesty needs to take direct state power, there was even an attempt to foment a manifestation in support of the request to confer the power to Your Majesty. As the first hand information and the relayed one were so different that I did not pay much attention. But on the evening of June 17, 1994, I was deeply shaken by the article published in the FAR EASTERN ECONOMIC REVIEW on June 23, 1994 entitled "Cambodia—Last Act" written by Nate Thayer, supposedly an interview with Your Majesty.

According to this article, I have become another obstacle on the way of conferring the power to Your Majesty. I do not know whether those were words of Your Majesty or whether the author creates the story himself.

With regard this issue, whether Your Majesty did say so or whether the reporter did not write so, may I be allowed to submit to Your Majesty as follows my thought and my feelings.

Whatever the turn of the political situation and more than half of life, I have always been following Your Majesty. My decision to go into the maquis on April 14, 1970 would not have been made then if was not for Your Majesty because then I had many options to choose from: to be a student, to be a farmer, to be a worker or to be a businessman etc... Through various situations, whether I hold the positions of a Minister, Deputy Prime Minister or Prime Minister, I always believe that the best way to put an end to the war was a political solution which would give an opportunity for Your Majesty to return and to lead the country. I have made it to become a reality.

Your Majesty and Samdech Preah Mohesei as well as the Royal Family and the non-communist resistant forces certainly have not yet been informed of all the hardships I have gone through in the search for a political solution in Cambodia. I had to face untold dangers so as to achieve this enormous and historical task. The influence of leaders of some countries exerted upon me to seek a red resolution which would have denied the roles to be played by Your Majesty and the non-communist resistant forces and which I did not accept was another kind of danger, which I would not reveal their names right now but would mention in the book to be published later on.

This brief mention of history does not mean that I want to take credit for it but just to show Your Majesty of what I have done for the nation and in following Your Majesty. On June 13 1994, Prince Kromkhun Norodom Sirivut came to report to me about his trip to Europe. He also proposed for my consideration the issue of conferring the power to Your Majesty. To Prince Kromkhun, I expressed my view that no one has any doubt about the King who is our Father.

The National Assembly had conferred full power and special power to Your Majesty on June 14, 1993 with which Your Majesty was able to form a Provisional Government which was not at all provided for in the

Paris Agreements and which led us to unite to produce a Constitution to be respected by everyone. Any change or amendment to the Constitution is of the mandate of the National Assembly. I further told Prince Kromkhun that it is not sure that the National Assembly would support any change of the Constitution. Moreover, Article 17 of the Constitution which mentioned that the King reigns but does not govern prohibits any change of it. On that occasion, I also shared with Prince Kromkhun my worries about the rumour saying that Your Majesty wanted to take power but Your Majesty always denied this rumour. Where is the truth? Is it a Khmer Rouge's trick to dismantle the Royal Government and to create a new one by exploiting Your Majesty's name?

Your Majesty,

I was very shaken when I read the REVIEW's article which mentioned that "Sihanouk acknowledged that his bid for power would be doomed without the acquiescence of Hun Sen and the CPP [Cambodian People's Party] ... because I do not want to shed blood to fight for a secession led by Hun Sen... unless I have the assurance that Hun Sen and his party will join me in my government."

This paragraph is very serious vis-a-vis myself because it implies that a war might break out not by the Khmer Rouge but by my humble person. Now, a group of people in Phnom Penh who are unscrupulously greedy of power are using this article to poison the atmosphere going so far as telling Thai businessmen not to work with the current government because it is about to collapse and to wait to work with the new government. It is very funny because the Khmer story is like a kid's game since a press article may be able to dissolve or to form a government. This is too simple and the Constitution seems to be worthless. Everyone is boasting of pro-liberal democracy but instead is violating the nation's Constitution. What do they really want, dictatorship or democracy?

May I take this opportunity to submit to Your Majesty that the question of dismantling the incumbent Government and creating a new one, of appointing anyone as Prime Minister, Deputy Prime Minister, does not depend on me but rather on the Constitution and the National Assembly. I can walk out and let Khieu Samphan to replace me if it is allowed by the Constitution, if there is a support in the National Assembly and if it is necessitated by national interest. Therefore, there is no need to fear that I might wage a secessionist war. What I need right now is a truth whether Your Majesty really wanted to take power as the Prime Minister as it has been published in the media, so that I might assess according to the real fact.

Your Majesty,

I am very worried by the length of my letter and by its content. If I did not write and tell Your Majesty the truth and to seek the truth, confusion would prevail. I know very well that a number of people will accuse me of arrogance, daring to write to His Majesty the King. But

Your Majesty is well aware that I am not a reserved person and not a "yes-man". Your Majesty used to say that Hun Sen is like Your Majesty. Specially, during the dinner on May 27, 1994, Your Majesty said that: "Samdech Hun Sen is not my son but he is like me: unreserved". This is my natural character of frankness.

I am writing this letter to request Your Majesty's advice with regard to the above-mentioned issues. As far as the solution to the Khmer Rouge is concerned, how can I and the Royal Government address this problem? How to address the rumours surrounding the question of conferring the power to Your Majesty? I am awaiting Your Majesty's noble advice for further action.

Columnist Supports Hun Sen

BK2306115094 Phnom Penh KAOH SANTEPHEAP in
Cambodian 22-23 Jun 94 pp 1, 4

[From the "Today's Comment" column by So Naro, secretary general of the Cambodian Journalists Association: "We Do Not Want To Exchange Hun Sen for Khieu Samphan"]

[Text] The horrifying news carried in the letter from Samdech Hun Sen to the Cambodian king on 18 June, in which the former said he wished to resign from his post, has caused great alarm among the citizens. The Cambodian people would like to solemnly declare that we do not want to exchange Hun Sen for the genocidal gang of blood-thirsty butchers under whose reign of terror many of our grandparents, parents, children, and grandchildren died most miserably in their prison without walls.

The Cambodian people cherish and are always ready to follow His Majesty King Norodom Sihanouk Varaman, the revered monarch of the Cambodian motherland. The king, however, is living so far away from his subjects. Will he be able to prevent the gang of butchers from murdering his beloved children and grandchildren again as during those three years eight months and 20 days? Only Prince Krompreah [Norodom Ranariddh] and Samdech Hun Sen have all the potential and all the forces at their disposal to stop the black-shirted murderers from returning to power. If Samdech Hun Sen, who is a patriot and who once saved the nation, leaves the Royal Government and is replaced by the blood-stained bandits, the king's subjects will surely be miserable and wretched again.

His Majesty the father of the nation is begged not to listen to the sweet-talking, black-hearted Khmer Rouge who are very good in their divide-to-rule tactics. If they succeed in recapturing power, our revered nation, religion, and king will surely be just history. Seeing this sign of danger, the largest segment of the Cambodian people earnestly implores His Majesty the father of the nation to graciously maintain his trust in the Royal Government born out of the will of the people who are your loyal subjects.

Your Majesty should not forget the taste of the 3-year-8-month-20-day regime to which you too were subject. This time, if the Khmer Rouge get the power back, they will not spare you.

The common people do not forget, but the common people are afraid Your Majesty might forget. The snare never forgets the heron; only the heron keeps forgetting there is a snare somewhere.

National Assembly Said To Outlaw KR

*BK2306133194 Phnom Penh AKP in English 0957
GMT 23 Jun 94*

[Text] Phnom Penh AKP June 23—National Assembly Chairman Chea Sim said he hoped that the members of the National Assembly will agree to outlaw the Khmer Rouge [KR] during the coming N.A. session. A draft law to outlaw the Khmer Rouge was made after the failure of round-table talks held in Phnom Penh on June 15 and 16 in which the Maoist faction did not clearly response to King Sihanouk's proposal for a permanent, unconditional, immediate cease-fire. The draft will be submitted to the National Assembly for promulgation during its coming session. The bill could be passed unless it gains a majority of two-thirds from the members of parliament.

Also after the failure of peace-talks, the Royal Government decided to close the Khmer Rouge's office in Phnom Penh and the Ministry [words indistinct] all Khmer Rouge representatives to leave the city before June 19.

Chea Sim who visited the seaport of Sihanoukville on June 20 repeated King Sihanouk's clarification saying: "If the peace-talks held in Phnom Penh fails to obtain success, there will not be a third round-table talks to be organised."

Second Prime Minister Hun Sen told a press conference while he was in Jakarta between June 20 and 22 that: "We won't have any more round-table talks with the Khmer Rouge."

Prince Norodom Ranariddh, first prime minister, and Mr. Hun Sen, second prime minister, led the delegation of the Royal Government to visit Indonesia on June 20-22.

The Cambodian leader highly appreciated the role played by Indonesia in the non-aligned movement, "I'm very impressed," said the prince "by the socio-economic development and political stability of Indonesian government under the leadership of President Suharto."

He spoke of the urgent need of Cambodia in the reconstruction of socio-economic infrastructure after two decades of war, adding that the Cambodian efforts needed the contribution and the support from the countries in the region, Indonesia included.

"The process of the national reconstruction and development is threatened by the sporadic fighting between the Royal Government and the Khmer Rouge guerrillas," he said.

He affirmed that the Royal Government strongly supports [words indistinct] national reconciliation raised by his majesty the king and cease-fire [words indistinct] the king's initiative [words indistinct], he said.

The government must be responsible for ensuring the national [words indistinct] the country. The Cambodian co-prime ministers requested Indonesia to provide its aid to the Royal Government born from the general elections organized and supervised by the United Nations under the Paris agreement.

"The Royal Government are ready and eager to negotiate with Khmer Rouge to find a compromise acceptable to all parties for the national unity, peace and freedom," he said.

"We also ask the Paris accords signatories to strictly implement the accords so as to give international guarantee to the sovereignty, independence, territorial integrity, inviolability, neutrality and national unity in Cambodia," said Prince Ranariddh.

DK Official Chan Youran Reviews Roundtable

*BK2406014694 (Clandestine) Voice of the Great
National Union Front of Cambodia in Cambodian
2330 GMT 23 Jun 94*

[Interview with Democratic Kampuchea representative Chan Youran by unidentified correspondent at the 15-16 June roundtable talks in Phnom Penh; dated 23 June—read by announcer]

[Text] [Correspondent] Greetings, Your Excellency. You recently attended the meeting in Phnom Penh of the roundtable commission for national reconciliation and peace. On behalf of the Voice of the Great National Union Front of Cambodia radio [VGNUFC], please comment on the two items on that meeting's agenda. Why did the meeting fail to agree on the agenda as called for by the Cambodian nation and people, who want national reconciliation and peace?

[Chan Youran] I would like to express sincere thanks to our VGNUFC for giving me the opportunity to talk about this meeting.

On 15 June, the meeting, chaired by Samdech Nhoek Chulong, representative of the king, agreed to abide by the king's guidance by adopting the following agenda. First, an unconditional, immediate, and permanent cease-fire nationwide. Second, the minimal policy program proposed by the Party of Democratic Kampuchea [PDK] to the meeting which has received the king's consent.

During the discussion about the agenda, our Democratic Kampuchea [DK] delegation expressed the following views:

1. The PDK was attending the meeting as a Cambodian side, equal to all other Cambodian sides, with rights equal to other Cambodian sides to discuss the two items.
2. Legally, these two items have the same status and value. The meeting's responsibility is to discuss the two items because they form an entity for national reconciliation and peace. If only one item is discussed and the other left out, this is neither just nor correct. This cannot solve the Cambodian problem and achieve national reconciliation quickly.

Our nation and people very much want a quick end to the war and their great suffering and hardship in order to have ordinary lives again. Our nation and people want genuine national reconciliation and national concord. Therefore, we ask that all sides take this opportunity to respond to the sacred aspiration of our nation and people by discussing the two items and striving to solve the problem gradually.

The representative of Prince Ranariddh, chairman of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], and the representative of Chea Sim and Hun Sen of the Cambodian People's Party, puppet of communist Vietnam, did not respond to these views. They only talked about the cease-fire, but refused to discuss proper and strict supervision. They did not accept a competent committee to deal with this issue. So, our delegation said this: You are cheating on this cease-fire because it is not genuine and definitive throughout the country. It is not a cease-fire within the framework of national reconciliation. It is a cease-fire without proper and strict supervision by a competent committee or technical group. Furthermore, you did not say a word about national reconciliation because you are afraid of this. You refused to talk about the minimal policy program, which is the basis of the national reconciliation and peace policy. You only talked about the cease-fire to dupe national and international public opinion in order to continue fueling the war in Cambodia.

These people could not answer. They remained quiet; they were stuck.

Samdech Nhoek Chulong, chairman of the meeting, and many observers noted that our side's stance is correct and reasonable. For this reason, Samdech Nhoek Chulong decided to let our delegation read the PDK clarification on the minimal policy program. I read our address dealing with the minimal policy from the beginning to the end. These people had their heads down.

In sum, these people categorically oppose national reconciliation and peace. They oppose a genuine national government and national army in accordance with the sacred aspiration of our nation and people.

Our nation and people and the PDK, however, are absolutely determined to achieve national reconciliation and peace so that our Cambodia will not become a second Kampuchea Kraom [former Cambodian territory now part of southern Vietnam].

Article Reports Border Problem

BK2406080694 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 24 Jun 94 p 1, 2

[Text] Vietnam's land grabbing activities along the eastern border in Memot District, Kompong Cham Province, are spreading further without solution from any of the authorities. Cambodians living in this area are very angry because they have lost land on which they work to earn a living.

A rubber plantation official who requests anonymity says that in the past, standing on the mound in Bos Ta Kok village in Da commune, Memot District, and looking toward the Daeum Dong Prampil Daeum village, one can see the zinc-sheet covered roofs of Vietnamese houses built along the border. This area is an important smuggling point where Vietnamese wait to buy goods from Cambodia.

Now some Vietnamese have trespassed and intruded into Bos Ta Kok village in Da commune by clearing and leveling around 100 hectares of red earth and openly took over between 20 and 30 hectares of scattered rubber tree plots which had been the property of an official named Ret. The rubber plantation official also says that local people dare not poke their heads into this area because nearly all of these land-grabbing Vietnamese are armed. They look like an army unit. It is not known yet what will be done with the plot of land the Vietnamese have cleared and leveled, but latex is siphoned off daily. These Vietnamese have let it be known that they will not withdraw because this piece of land protrudes along the border and they consider it theirs.

The rubber plantation official, quoting many local residents, says that it is not only land in the Bos Ta Kok area that the Vietnamese have annexed; border markers along the entire district border have been moved deep inside Cambodia. The important thing is that along this border the Vietnamese have deployed troops, disguised as civilians, for protection. They are armed with assorted weapons, and at some places tanks have been stationed in the trenches. Only their cannons can be seen.

Is the government aware of this land expropriation in Bos Ta Kuk? Upon ceiving this information, please investigate and solve the problem immediately. First of all, the district authority has to immediately report to the Interior Ministry in order to solve the problem through legal means.

Newspaper Editor Dies in Traffic Accident*BK2406061294 Phnom Penh AKP in French 0400 GMT 24 Jun 94*

[Text] Phnom Penh 24 Jun (AKP)—The editor of the newspaper ANTARAKUM (Intervention) died in a traffic accident in Phnom Penh, according to a report by the Ministry of the Interior and National Security presented on Wednesday, 22 June, to Prince Norodom Ranariddh and Mr. Hun Sen, the co-prime ministers.

Mr. Thu Chaommongkol, the responsible person at the newspaper, passed away on 11 June under circumstances that were unknown at the time.

The report was based on the results of an investigation conducted by the security services. There were six witnesses: two doctors from the Calmette Hospital, a traffic police officer, a soldier in the Royal Army, a Chinese soup vendor, and a foreign worker in the UNHCR office in Phnom Penh. The Ministry affirms in its report that he died of his injuries after crashing his motorcycle into a cyclo cab on Preah Monivong Road. He passed away at Calmette Hospital.

Indonesia**Army Spokesman Regrets Weeklies' Closure***LD2306095694 Melbourne Radio Australia in English 0700 GMT 23 Jun 94*

[Text] Protests have continued in Jakarta following this week's closure of Indonesia's three leading news magazines. Michael Maher reports from the Indonesian capital that there are signs that the military are not fully behind the Suharto government's action.

[Maher] About 400 journalists and students, many dressed in black, gathered outside the department of information to demand the return of press freedom. Riot police tussled with demonstrators who spilt out on to the road waving banners critical of the government's action. It now appears sections of the military are also opposed to the bans on the news weeklies TEMPO, DETIK, and EDITOR. The official spokesman of the armed forces, Syarwan Hamid, is quoted in the Jakarta newspaper SUARA PEMBARUAN as saying that the closures are very regrettable and should not have happened.

Indonesia's human rights commission has described the bans as a step backward. However, government officials have since issued warnings to at least four other news journals about their reporting. Demonstrators say they'll continue their protest actions until freedom of expression is restored.

[Melbourne Radio Australia in English at 0800 GMT on 23 June adds: "The continuing protests come just days ahead of a visit to Indonesia by the Australian prime minister, Paul Keating. Mr. Keating will meet President Suharto in Jakarta on Tuesday [28 June], but it's not clear if the issue of the magazines' closure will be raised.

A senior Australian official in Canberra said that if the media ban is discussed it will be done privately and quietly. Graeme Dobell reports.

"[Dobell] The senior government official said Mr. Keating's meeting with President Suharto would be unscripted and it was not possible to say whether the prime minister would raise the closure of the three Indonesian magazines. He said the foreign minister Gareth Evans had put Australia's position in parliament yesterday, when he described the ban as very disappointing. That statement had been passed to the Indonesian ambassador and Australia's view on freedom of the press had been registered. Mr. Keating leaves on Monday afternoon for a 48 hour trip to Jakarta to open an Australia-Indonesia business forum."

Suharto 'Criticism' of Mass Media Viewed*BK2306160494 Jakarta KOMPAS in Indonesian 13 Jun 94 p 4*

[Editorial: "We Admire President Suharto's Open Criticism Against the Indonesian Press"]

[Text] When announcing the official construction of the Indonesian Navy's port at Teluk Ratai in Lampung last Thursday, President Suharto delivered his address without text. His address became a public topic for discussion.

First, the president's address without a prepared text was considered very interesting. As such, his reproach was more effective. A dialogue ensues every time the head of state delivers an impromptu address.

Second, the president issued a reminder to the press during his address at Teluk Ratai, Lampung. The newspapers, which had only limited access to the report on the purchase of 39 ex-East German warships, underscored the issue. The subsequent reports by the press resulted in creating an unclear situation, suspicion, and dissension.

The president stated that if such actions by the press were permitted to perpetuate, then this trend in reporting will disrupt the nation's stability and its political stability. National stability is an ingredient of the Trilogy of Development, which is made up of stability, development, and equal distribution. Therefore, we should put things right. Action should be taken against the press if it does not adhere to reminders.

The president's criticism was very clear and methodical. The public could react through diverse considerations in connection with the president's criticism and reminder. It would probably be wise for the public to react with care and wisdom when considering the president's criticism and reminder.

The president's remarks, which he made in Lampung, were neither God-sent nor without prior consideration.

We are of the opinion that his criticisms came in the midst of the most recent developments.

There must have been at least two incidents when Information Minister Harmoko admonished the press, magazines, and electronic mass media officials in Jakarta and at district levels about being discreet and responsible in their reporting. He also reminded them to refrain from conducting a trial by the press [preceding three words in English], giving misinformation, and creating disunity.

Questions arose from the reports about the purchase of the 39 ex-East German warships. These reports from the mass media, both print and electronic media, are part of the effort to become more transparent and more open. The reports, however, were observed as being inconsistent, unjust, and unilateral. This could leave a negative impact on certain people.

The Indonesian mass media's varying methods and trends in reporting, whether by the print or electronic media, was observed to be more open in issues such as the Nipah Dam, the murder of labor activist Marsinah, and the Bapindo bank scam.

The mass media lie low every time an official issues a reminder, warning, or criticism in connection with their reporting. They only return to their previous trends after some time. Whatever credibility or background they possess, we have witnessed such occurrences before.

The media went to the extreme by reporting on the purchase of the former East German warships until President Suharto made a direct, clear, and in-depth criticism.

The president's criticism of the mass media received attention. Press circles have become more careful and discreet. This is observed in that Indonesian media reports and commentaries recently made thorough observations and sentiments were of a positive nature.

The developments taking place within the press are connected to those occurring within society which, for example, are directed toward openness. Openness is facilitated by the government in alignment with progress. Openness is actually a form of dynamism that thrives within society. It encourages the people's participation in development and political processes.

The exposure of the Bapindo bank scam caused by ET [Eddy Tansil—the first accused in the Bapindo bank scam] and the subsequent legal process and press reports were evaluated as a constructive asset coming from the openness process.

In this regard, based on the importance of national development and people's interest, the issues of the Bapindo bank scam and the purchase of the former East German warships are considered similarly important.

Therefore, the authorities should place a caveat [preceding word in English] on openness as people become

increasingly aware of the effects of openness and when this openness is similarly expressed through the mass media, the press, or even considered stronger within the government service sector. The government should also issue a reminder to the mass media to refrain from being too belligerent, embarking on trials by the press, being excessively primordial, and to totally abstain from inciting our multi-racial society.

It is most likely that encouragement exists everywhere for more dynamic competition. There is also a possibility of a subjective and partisan political motive. It is also probable that the issue was more concentrated on the effort toward reactivating the past format [format yang pas] of extremes. A unilateral form of openness can only support and channel the people's aspirations. Another form of openness can bring about excesses.

Both of these forms are sensitive. If there are people within society who are suppressed and their cries go unheeded and no constructive or corrective measures are undertaken to rectify the situation, then conditions will gradually grow into an explosive situation. On the other hand, there will be excesses if people do not fully assimilate openness in a positive manner.

Such was the president's candid criticism of the mass media when he urged them to correct their ways and to be more discreet. Meanwhile, the mass media should conscientiously heed the president's reproach when making their reports—irrespective of the facts, figures, and other aspects they have to abide by.

This means that the president's aides should not only function as advisers for major issues but also function as coordinating agents to overcome disparity among the members of the community.

Finally, national and political stability can be breached not only through the issues and conditions brought to the fore by the mass media but through the existence of bona fide problems and conditions. Therefore, all parties should be more critical, constructive, and sincere in accepting the president's criticisms and advice.

People Asked Not To 'Exaggerate' Differences

BK2306115994 Jakarta ANTARA in English 1013 GMT 23 Jun 94

[Text] Jakarta, June 23 (OANA/ANTARA)—President Suharto here Thursday called on the people to be aware of the nation's diversity, but not to exaggerate the nation's differences.

"We should not exaggerate differences existing among us. We should not forget that we are committed to being a united nation. Our slogan is unity in diversity. We are diverse but are determined to be united," the president said.

Receiving students from the fourth course of the National Defence Institute (Lemhanas) at the Bina Graha Presidential Office, the head of state said that the

main challenges being faced by Indonesia are issues regarding human rights, openness, democratization, and the environment.

"Human rights, openness, democratization, and environmental issues could be abused to create unrest at home," Suharto said.

If this happened, he added, it would threaten national development and weaken national stability.

The president was accompanied by Defense and Security Minister Edi Sudrajat and Lemhanas Governor Lt. Gen. Mutoyib.

He said the challenges facing Indonesia from outside are the negative impacts of economic globalization and the penetration of foreign cultures due to sophisticated technology and information systems.

Lemhanas Governor Mutoyib reported earlier that the Lemhanas course began on February 5 and would last until June 25. It is being attended by 95 participants, including 39 senior armed forces officers and officials from government departments, non-governmental agencies, and social organisations.

President Suharto told the course participants that it is the duty of a leader to change a challenge into an opportunity, a weakness into a strength and to explain to the people what is happening around them.

"The duty of a leader is difficult to carry out if the relevant parties do not provide support. Therefore, a leader must have a wide horizon and a mature personality" Suharto said.

Joint-Venture Company To Install Phones

BK2306114694 Jakarta ANTARA in English 1016 GMT 23 Jun 94

[Text] Bandung, June 23 (ANTARA)—Indonesian telecommunication network PT [Company Limited] Telkom will allow PT NEC Nusantara Communications, a Japan-Indonesia joint venture company, to build a telephone exchange centre with a 1.5 million telephone line (SST) capacity. PT Telkom Operation Director Dadad Kustiwa told ANTARA here on Thursday that PT NEC Nusantara Communications was given the contract because it has long been successful in installing telecommunications facilities in various cities in Indonesia.

The installation of the 1.5 million line SST-switching centre is part of a target to install five million SSTs throughout Indonesia during the Sixth Five-Year Development Plan (Pelita VI).

PT NEC Nusantara Communications was established under a joint venture agreement between Japan's NEC multinational company and Indonesia's PT Elektrindo Nusantara and PT Humpuss, both private companies.

Data indicate that the Indonesia-Japan joint venture company has installed some 350,000 telephone lines so far.

The company is currently installing another 444,100 telephone lines and is setting up a number of switching centres, each with a capacity of 40,000 telephone lines, in various cities in Indonesia.

The new contract, in addition to previous projects, brings the total number of telephone lines confirmed to be installed during Pelita VI to 2.3 million.

Philippines

Cities 'Bracing' for New Abu Sayyaf Attacks

BK2406064094 Quezon City Radio Filipinas in English 0230 GMT 24 Jun 94

[Text] Major cities in southern Philippines are bracing for renewed terrorist attacks in retaliation for the military offensive against the Abu Sayyaf extremists.

In General Santos City, Police Superintendent Renato Santos met with security agency owners yesterday to draw up plans to protect the city from terrorist raids. Santos said he would tap the vast army of private blue guards in security in securing private businesses in the city. Santos said intelligence reports confirmed that the Abu Sayyaf terrorists plan to carry out new bombings and kidnappings of prominent ethnic businessmen in General Santos City and South Cotabato.

He said the fierce fighting between advancing government troops and the extremists left six soldiers dead Tuesday, while 15 others were wounded in the final assault to free a Catholic priest held hostage by the group. The priest, Father Cirilo Nacorda, is being held by the Abu Sayyaf for money. Soriano [name as heard] said the government assault has the tacit approval of Moro National Liberation Front chief Nur Misuari.

Ramos Commissions Newest Navy Acquisitions

BK2406015994 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 23 Jun 94

[Text] The Philippine Navy has just acquired some new vessels. Earlier today, President Ramos commissioned VRP [Vessel of the Republic of the Philippines] Dagupan City, another logistics support vessel donated by the United States, and four fast patrol crafts bought from South Korea. The commissioning coincided with the celebration of the 96th anniversary of the Navy. The president said that the time has come to replace the old vessels which date to World War II.

[Begin Ramos recording in English] I am happy that the Navy also has started to decommission ships that are no longer economical to operate, thus, improving the Navy's over-all efficiency. But as admirable as our efforts are to extend the life of even the old ships of the fleet, we can only go so far. We cannot escape the fact

that we really need to upgrade our ships through new acquisitions and this I assure you we are trying our best to accomplish. [end of recording]

Thailand

Authorities Discourage Anti-SLORC Protests

BK2406085194 Bangkok *BANGKOK POST* in English
24 Jun 94 p 8

[Text] Burmese students at the Ban Maniloi centre in Ratchaburi face a possible ban from leaving the centre during the ASEAN ministerial meeting in Bangkok next month to prevent them from protesting the presence of members of Burma's ruling junta.

Representatives of Burma's State Law and Order Restoration Council (SLORC) have been invited to attend the opening and closing ceremonies plus a banquet held during the Association of Southeast Asian Nations meeting.

The invitation has prompted international condemnation of Thailand's role as host country.

Deputy Permanent Secretary for the Interior Chaloe Phromloet said yesterday he trusted Ratchaburi Governor Kamlunthep Thewakun would know what steps to take to prevent possible problems caused by Burmese students from the centre joining the protest.

"He knows well how to deal with this type of incident since he was with the ministry's internal security section before becoming a provincial governor," said Mr Chaloe.

He said any protesters who try to disrupt the meeting would be dealt with sternly by police.

M.R. Kamlunthep said: "If I forbid the Burmese students from leaving Ban Maniloi, I will be accused of violating their human rights. Yet somehow I will have to come up with a solution."

He said he would hold talks with Mr Chaloe on the possibility of the Burmese students staging a protest.

"The students at the centre have lately had problems with villagers in the neighbourhood," he said referring to troubles in the last month. "Even if these students are refugees in our country, that cannot be used as an excuse not to abide by the law."

"Any person who violates the law in this country will have to face the legal consequences."

The Interior Ministry's Information and Foreign Affairs Division director, Praphakon Samiti, said any Ban Maniloi students joining a protest which disrupts the ASEAN meeting will be arrested and detained at a centre in Bang Khen.

They will lose their refugee status and will simply be regarded as illegal immigrants and dealt with as such by the police, he said.

"Present media reports indicate the students from the centre are not part of the group planning a protest," he said.

But Mr Praphakon said there were efforts by certain Burmese dissidents to encourage the students to join them in the protest.

"The students at the centre know they will go to jail and will not be allowed to return to Ban Maniloi if they join the protest."

He said he did not understand why anyone wanted to protest SLORC's presence at the meeting since their participation was only ceremonial.

Failure To Submit Arms Data Criticized

BK2406055694 Bangkok *THE NATION* in English 24 Jun 94 p A8

[Article by Kunlachada Chaiphaphat: "Refusal to list arms puts Thailand in terror camp"]

[Text] Thailand is the only one of Asean's six member-nations that has failed to submit arms data to the UN Register of Conventional Arms in New York.

Like it or not, the country will remain on the list of 'terrorist nations' included in the UN Secretary General's report to the 49th session of the UN General Assembly (UNGA) later this year unless the Thai Ministry of Defence, responsible for national arms procurement, adopts a new attitude towards military transparency.

Indonesia, possessor of Asean's largest military arsenal, has submitted its military data to the UN registry. Last year Thailand and Indonesia were listed along with Syria, Saudi Arabia and Jordan as arm buyers failing to respond to UNGA resolution 46/36 L, which calls for all members to give new arms data to the UN.

The resulting situation is especially absurd in light of the fact that Thailand is supposedly at the forefront of regional and international efforts to implement the UN's Agenda for Peace, which calls for the building of trust and confidence across the region in order to prevent or minimize conflict.

The military is adhering to the old myth that the details of arms procurement is a national secret. It continues to bury its head in the sand, ensuring the worsening of an already blemished international image, particularly damaged by the army's alleged support of the Khmer Rouge.

The UN Register of Conventional Arms is a simple but effective step towards building trust among the nations

of the world, calling upon member countries to voluntarily provide data on the importing and exporting of seven types of offensive weapons, as well as general background information on national procurement and holdings policy.

In 1991, Thailand was one of 150 UN member nations to vote in support of UNGA resolution 46/36 L on transparency in armaments, which resulted in further resolutions to set up the register over the next two years. The resolutions were approved by 150 members with no objections. Iraq and Cuba abstained.

Last year 80 countries, including Asean members Singapore, Malaysia, the Philippines and Brunei, submitted their arms data for UN registration.

But there is little point in having the Asean Regional Forum discuss the noble goal of trust-building in accordance with the UN agenda for peace when a host country like Thailand fails to contribute to even this very basic and essentially harmless attempt at boosting trust.

Military spending in Southeast Asia is generally considered extraordinarily large for peace time, which makes the exchange of arms purchase information especially important to the nations of this region.

As acting regional leader, the country must show its sincerity in this respect instead of playing for time with the excuse that neighbours Vietnam, Laos, Cambodia and Burma have not done so.

These countries will be attending the Asean meeting in Bangkok in July. Despite being the host country, Thailand will have absolutely no authority to initiate discussions of military transparency, which will be a crucial topic at the meeting.

Thailand is no longer justified in claiming regional instability as an excuse for delaying arms data. With Indonesia's disclosure, all other Asean nations have fulfilled their commitment to the UN. In the age of proliferation, countries the world over face an equal threat.

At any rate, despite the army's confidence, the size of Thailand's military arsenal, or that of any Asean nation, is no secret. International arms dealers have been more than willing to publish sales figures as it promotes their products.

In the UN's 1992 report on arms procurement, circulated at the General Assembly's 48th session last year, it was revealed that Thailand had bought arms from Australia, China and United States without registering this with the international organization.

The UNGA resolution, unlike Security Council resolutions, is nonbinding, and is aimed in part at testing the cooperativeness of UN members.

While the resolution's April 30 deadline has passed, the UN's annual report on arms procurement does not come out until August, and there is a provision for late filers in the report's appendix.

Better for Thailand to be a latecomer than the black sheep of the world community.

Editorial Stresses ARF's Stability Role

BK2406053594 Bangkok THE NATION in English 24 Jun 94 p A6

[Editorial: "ARF approach to security can ensure regional peace"]

[Text] Asean has commendably recognized the need for security cooperation, and the Asean Regional Forum (ARF) which meets next month in Bangkok could give rise to a new security framework in the region.

The 18-member multinational framework is arguably Asean's most ambitious effort in its 27-year history to engage the major powers in a security dialogue.

No region in the world has used its dividend from the thawing of the Cold War more wisely than East Asia. According to the latest figures from the Economic and Social Commission in Asia-Pacific (Escap) in Bangkok, the region has just had another banner year. It grew more than six times faster than the global economy did in 1993.

Regional stability is founded on the emergence region-wide of a open market system; the recognition by all Asean countries of the need for regional peace to ensure the continuation of internal economic developments; and the capping of the Indochina crisis—in no small degree through the efforts of Asean.

Economic gravity

For the moment, the United States' withdrawal from some naval and air bases in the region may have generated some anxiety in Asean. But as Apec [Asia-Pacific Economic Cooperation] makes it clear, America's centre of economic gravity has shifted from the Atlantic coast to the Pacific.

A testimony to the changing times is the constitution of the ARF's membership which is drawn from both sides of the Cold War divide—the six Asean countries, the United States, Canada, Japan, South Korea, Australia, New Zealand, the European Union, Papua New Guinea, China, Russia, Vietnam and Laos.

Considering that some of these countries were at war with each other not so long ago, their coming together in the ARF shows their commitment to global peace and prosperity.

But serious differences remain because of the long history of conflicts and rivalries in the region.

For one, the South China Sea issue may soon come to a boil. China is running out of oil resources close to home, at a time when its own energy needs are growing exponentially. The strategic sealanes passing through the Spratlys are so widely used—increasingly also by China—that a conflict there could be injurious to the entire Asia-Pacific community.

A viable way urgently needs to be found to allow Vietnam and China to cool down the temperature in the Spratlys—which can then become congenial to confidence-building measures among all claimant countries.

Also, the dispute between Malaysia and the Philippines over Sabah is the most salient and serious intra-Asean territorial dispute. This contentious issue has often created serious tension and caused a deterioration in relations between Kuala Lumpur and Manila which adversely affected Asean regional cooperation.

To be effective, the ARF has to serve its members, keeping in mind that the primary purpose is preventive diplomacy—to preserve regional peace and prevent disputes from escalating into armed conflicts. In all circumstances, one thing should be remembered: the ARF is not a forum of the likeminded, therefore a spirit of give and take will be crucial to building mutual trust and confidence.

A current phenomenon in the region is the drive by several Asean governments to build up and modernize their weapons inventories. The simplest reason for this is that the end of the Cold War has brought down prices for modern weaponry—and some East Asian countries are simply taking the opportunity to grab some “fire-sale” bargains while they are available.

Asean needs to agree on whether an arms race is taking place in its midst—and if it is, then the member countries through the ARF must consult on how to contain it.

Arms register

Various proposals have been made by think-tanks. These include the creation of a Southeast Asian arms register, regional cooperation in arms purchases, exchange of intelligence data, observers at military exercises, transparency about military strength, more contacts between military officers and even the creation of an Asean peacekeeping centre.

Recently some of the confidence-building measures were implemented. Singapore was invited for the first time as an observer at the just concluded U.S.-Thai Cobra Gold war games. This invitation could eventually be extended to other ARF members.

It, however, should be borne in mind that Asean countries have varied approaches to security and it is necessary that, through the ARF, they define the appropriate extent of transparency expected regarding military strength in the region.

From dialogue, the ARF must move gradually to seek a consensus about developing the mechanisms to maintain peace and stability. Only then can the Asia-Pacific region be a safer region, as the ARF promotes trust, eases tensions and heads off confrontations.

Minister Bunchu Receives Hainan Delegation

BK2406062294 Bangkok XING XIAN RIBAO in Chinese 22 Jun 94 p 7

[Text] Thai Deputy Prime Minister Bunchu Rotchanasathian received Hainan Provincial Deputy Governor Chen Suhou and his agricultural economic observation delegation from at Government House at 0900 on 20 June. The delegation is here at the invitation of the Hainanese Association of Thailand. Deputy Prime Minister Bunchu, who visited Hainan eight years ago, warmly welcomed Chen Suhou and his delegation. He hoped that the delegation will achieve complete success in its observation trip.

Bunchu said: I visited Hainan in 1986. Hainan was rather backward at that time. There have been a lot of changes in Hainan during recent years, however, such as in the energy, telecommunications, and communications sectors. Regarding agriculture, Bunchu said that Hainan, like Thailand, is rich in agricultural resources. Agricultural development also needs good planning. He hoped that the delegation will visit agriculture processing plants and agricultural export-oriented businesses. Bunchu also said that the Thai Government will consider joint ventures if the delegation makes any offers. Chen Suhou extended his gratitude for the warm reception.

At the friendly atmosphere, Chief Delegate Chen Suhou said that investment conditions in Hainan had improved a lot. The Sanya Fenghuang International Airport will be opened to air traffic on 1 July. The expressway from Haikou to Sanya will be completely open at the end of the year. All this will facilitate economic cooperation between Hainan and Thailand. Hainan Province, which has 200 square li of sea area, has favorable conditions for aquaculture, tropical crops, mining, and tourism. Hainan is now developing large-scale industry. It also pays attention to marine, economic, tourism, and agricultural development. Thai businessmen are welcome to enter joint investment projects in Hainan. Also present at the meeting were Chinese Ambassador to Thailand Jin Guihua and vice chairmen of the Hainanese Association of Thailand, Feng Yude, Fu Zhisen, and Li Changchun.

'No Plot Exists' To Harm Nepal Prince

BK2406085794 Bangkok BANGKOK POST in English 24 Jun 94 p 3

[Text] No plot exists, allegedly by two Pakistanis, to assassinate or otherwise harm the Nepalese crown prince, Police director-general Pratin Santipraphop said yesterday.

He said there was a misunderstanding that Shakil Ammad, who is in police custody, and Mohammad Javet, who initially eluded police, had plotted to harm Crown Prince Dipendra bin Brikram Shadey at the Asian Institute of Technology [AIT].

Officers in charge of the case were told the two were engineers with a company in Thailand, he said.

The two men went to the institute to use its telephone to make an overseas call instead of making the call at their hotel which would charge them more, Pol Gen [police general] Pratin said.

When officials at the AIT asked to see their passports, the pair could not produce them because they had forgotten to bring them. They then escaped because they were afraid they would be questioned, he said.

The Nepalese Embassy has also denied the plot suggestion.

The crown prince attended a geography course at the institute. He begins his official visit to Thailand today and leaves on Monday.

In a related development, Pakistan on Wednesday branded allegations that two Pakistanis planned to attack Nepal's Crown Prince Dipendra during his visit to Bangkok, a "smear campaign," intended to sabotage Pakistan-Nepal relations.

"This has become a very serious smear campaign," Riaz Mahmud, Pakistan's Ambassador to Thailand, told AFP. "Definitely there was a motive of some kind involved."

Ambassador Mahmud said he believed that Thai police who were quoted in the BANGKOK POST on Tuesday as saying there had been "hard evidence" linking two men to a plot—had been used by an "outside agency."

Pakistan and Nepal "are very close members in SARG (South Asian Regional Cooperation)," he said. "That may not be to everyone's liking," he said.

He told AFP the embassy was questioning both Special Branch officials and POST employees over the matter, adding: "We should have some answers in a few days."

Earlier on Wednesday, Kathmandu called the allegations "totally baseless and false."

Both Ammad and Javet have denied any wrongdoing, sed on Wednesday to comment by phone on the case.

The POST report which appeared in Tuesday's edition was based on an authoritative Special Branch report. Police have since reconfirmed that their investigations are continuing.

Official Reports Deaths Among Drug Addicts

BK2406090494 Bangkok THAI RAT in Thai 24 Jun 94 p 3

[Text] A source at the Interior Ministry disclosed that intelligence officials at the joint Thai-Lao coordination center reported mysterious deaths among Hmong immigrants receiving treatment for drug addiction at Wat Tham Krabok in Saraburi Province. The deaths were recorded at an average of one every day, or at least five every week. Death was caused by strong vomiting as a result of herbal medicine taken by drug addicts to cure heroin addiction. The dead were then cremated inside the compound of the monastery. No proper records of the deaths were kept.

According to the report, the Interior Ministry, with cooperation from the European Community, or EC, will on 30 June dispatch a group of 323 Hmong and lowland Lao refugees back to Laos. The EC has cleared a site in Bokeo Province as a settlement area for the refugees, and will provide them with supplies for farming. The project is part of the UNHCR program of repatriation for the Hmong and lowland Lao refugees.

Armed Forces Back Demands With Report

BK2406093294 Bangkok THE NATION in English 24 Jun 94 pp A1, A4

[Text] The military has issued a "Defence White Paper" detailing its strategic policies and explaining why it needs a huge budget, an unprecedented move that precedes a forthcoming parliamentary debate on the national budget.

The document, prepared by the Defence Ministry and the Supreme Command headquarters, was presented yesterday to reporters and participants of a seminar organized by the National Defence College.

Addressing the seminar on the "Military Role in National Defence and Development", Supreme Commander Woranat Aphichari said information in the Defence White Paper was not new but it had not been publicized before.

"We have just never disclosed it before, which made people think soldiers lived in a closed society," Woranat told national security psychology students and journalists attending the seminar.

"The situation has changed. To foster the democratic system in which we have faith, it is time to publicize this kind of information. This will make people understand the military more, and support our role. Some people's lingering doubts about the military's role will also be cleared up," he said.

Another reason for disclosing information in the white paper is to show "our neighbours that we have nothing to hide, that every defence strategy is based on our non-aggression policy," Woranat added.

The White Paper is divided into four main topics—International and Regional Security, Basic National Strategy, Defence Strategy and the Thai Military in the Future.

In the section on international and regional security, the military expresses concern over the nuclear tension on the Korean Peninsula and the Spratly Islands conflicts involving China, Vietnam, Taiwan, the Philippines and Malaysia.

The paper says the United States will continue to play an active military and political role to maintain peace in the region.

It mentions India's "increasing military capacity", covering possession of nuclear weaponry, effective air logistics and transport, and a formidable navy. The paper says India's naval strength has caught up with that of China.

The document also predicts that neighbouring Burma, with support from Beijing, will soon have a highly efficient military. According to the paper, Burma now has more than 300,000 soldiers and has been procuring tanks, artillery and rocket launchers. The Burmese navy is also embarking on an expansion programme to protect oil and gas exploration.

The section on basic national strategy mentions attempts to improve Thai politics, "which needs to be carried out sincerely".

The third section says Thailand needs a sophisticated air defence, covering surveillance, patrol, intelligence and alarm systems.

In the section on future facing the Thai armed forces, the document says that to defend the country's borders, "enormous manpower and budget are required".

"We need to set up compact fast-moving teams with compact and effective weapons, to defend several major spots at the borders. Tanks and armoured vehicles must be efficient and suited to the frontier geography," it says.

The 1995 national budget allocates Bt131 billion for national defence and security, a five per cent increase on fiscal 1994.

Woranat told the seminar that the country's defence budget for the next fiscal year had been trimmed by about Bt50 billion.

The paper says Thailand's defence budget is relatively small compared with other ASEAN countries.

"We have to explain our needs and programmes to the public. That is why we are disclosing this White Paper information," Woranat said.

He added, however, that the military was satisfied with the final figures in the Budget Bill, which is to be deliberated by Parliament early next month.

Parliament President Marut Bunnak said the bill could be listed for debate on July 6 and 7.

If the debate cannot be concluded within the dates set, an extra afternoon, on Friday, July 8, will be set aside for it. The proceedings will be televised live, he said.

Marut thought the bill would get the backing of the Phalang Tham Party and would get through the House, despite the coalition's internal problems.

Government To Take 'Good Care' of Economy

BK2406043194 Bangkok Radio Thailand Network in English 0000 GMT 24 Jun 94

[Text] The government will take good care of economic development to ensure the stability and prevent bubble economic growth as happened six to seven years ago. Deputy Prime Minister Suphachai Phanitchaphak says that at present the country's export sector has extended significantly. During the first five months of this year, Thai export increased by 20 percent against 14 percent as predicted earlier. The deputy prime minister attributes the expansion in export sector to more agricultural exports during the period, especially rice and frozen shrimps. Some high-tech products such as computer parts and electronics have also enjoyed high export growth, especially to ASEAN market.

Mr. Suphachai says the government will be cautious about credit extension for the real estate sector and about the stock market. It will ensure that private investment will be diversified into all regions of the country. He says the government has set a balanced national budget so that the country's economy will not expand at an excessive rate.

Central Bank Rejects 'Special Measures'

BK2406051794 Bangkok THE NATION in English 24 Jun 94 pp A1, A4

[By Watchara Charunsantikun and Charuwan Loetwinyu]

[Text] The Court of Directors of the Bank of Thailand yesterday ruled against introducing special measures to tackle rising prices, even though the inflation rate in May rose to 5.1 percent compared with the same month last year.

The central bank has set a target for inflation of 4.2 percent in 1994. The first five months have already seen inflation rising by 4.8 percent compared with the end of last year.

Prime Minister Chuan Likphai said he had ordered the authorities to closely monitor building material prices to prevent significant impact on overall inflation.

Siam Cement Co, the largest cement producer, has also been asked to hold prices to avoid raising the national inflation rate further.

Chuan said the situation was not worrisome and recent increases in interest rates ought to slow down excessive spending.

The Bank of Thailand earlier warned that commercial banks were extending excessive credit, especially for personal consumption. Banks' total credit extension grew 24.7 per cent in the first five months of this year compared with the same period last year. The target set for 1994 is 21 per cent.

Bank Governor Wichit Suphinit said there was no sign of a "bubble economy", a notion used for a high growth and overheated economy which collapses suddenly as witnessed with the recent economic trend in Japan.

Yet, he admitted that the economy has seen a big month-to-month jump in inflation by 1.1 percentage points in May and the second half of 1994 was likely to see higher domestic spending.

"The current weak monetary policy ought to be able to curtail inflation from rising too high. We are still at a deterrent state and there is no need to take tough action," he said.

Informed sources said the current higher inflation rate is caused by three factors. The first is a 48 percent attribution from supply shortages—especially of raw materials used in the production of industrial goods—of commodities such as cotton, timber, fruit and vegetables (due to drought).

The second, with a 40 percent weight, is what is described as the demand-pull factor, especially in services.

The cost-of-production factor is assessed to have contributed 12 percent to the total weight of the current level of inflation.

However, concerns about a possible bubble economy continue among top central bank officials, according to sources, especially if domestic spending should keep on rising. This is caused by the 7-8 percent rise in the wages of blue collar workers and 20-30 per cent increase in the wages of white collar workers and of civil servants. High export growth has also contributed to higher spending.

Higher oil prices have also resulted in the current account deficit surpassing the 5.4 per cent target in relation to gross domestic product. It was 5.5 percent in the first five months.

Sources quoted Wichit as telling the central bank directors that Thailand's inflation rate is higher than Singapore and Malaysia but lower than Indonesia, South Korea and the Philippines.

Foreign Liabilities of banks in May also climbed by Bt [baht] 31 billion over the previous month to Bt354 billion, or twice the amount at the end of 1993. Overseas loans have been used to support high domestic credit growth.

Phisit Li-atham, the central bank spokesman, disclosed that credit extended by foreign and local banks inclusive of offshore banking facility, grew a hefty 24.7 per cent in the first five months, but deposits grew only 14 per cent. As a result, the credit/deposit ratio reached a record high of 120.9 per cent.

He described the five-month economic performance as satisfactory although credit growth was three percentage points higher than the target and total outstanding credit edged closer to Bt3 trillion.

"We think that the credit system is still disciplined enough. We may have to closely monitor some institutions. With the capital adequacy floor rising from seven to 7.5 per cent now and to 8 per cent next year it should reduce the credit growth pressure on top of previous interest rate increases," said Phisit.

The public sector reported higher cash surpluses in May with the total for the first eight months of the current fiscal year reaching Bt8.9 billion, and possibly reaching another Bt50 billion in the four remaining months of the fiscal year.

Budget revenue is up 14.7 percent during this period compared with the target increase of just 12 percent. Expenditure is up 17.9 per cent which is close to the target.

"The expected budget surplus of Bt60 billion this fiscal year will help to ease the inflationary pressure," Phisit said.

The manufacturing index during this period grew at a slower pace in May to 10.5 per cent, with a private investment rate of 9.7 percent.

Minister Discusses Proposed IPR Court Bill

BK2306143294 Bangkok Radio Thailand Network in Thai 1200 GMT 23 Jun 94

[Text] Deputy Commerce Minister Churin Laksanawisit reported that a proposal had been made to the cabinet early last week to support the move taken by the Justice Ministry to establish a court to deal with cases concerning intellectual property rights [IPR] and international trade. This is because cases involving intellectual property requires the service of competent legal experts in order to promptly carry out examinations and produce court decisions. There are also a growing number of cases involving violations of intellectual property rights. The move taken by the Justice Ministry is considered necessary and timely to prepare for the economic and commercial expansion of the country. The draft bill on an intellectual property court will be discussed by the cabinet next week and then will be forwarded to parliament for deliberation.

Thai Airways To Open New Routes

BK2406093094 Bangkok Radio Thailand Network in Thai 0530 GMT 24 Jun 94

[Text] Kasem Suwannakun, chairman of the executive board of Thai Airways International Co. Ltd., has announced that from July 1994 the company will open new flying routes, both domestic and international.

The new domestic route will be Bangkok-Sakon Nakhon-Nakhon Phanom-Bangkok. A Boeing 737-400 aircraft will be used to operate three flights a week on this route. The main reasons for opening this route are to introduce a new market and to expand domestic transportation.

Regarding foreign routes, the company will open a direct route from Bangkok to Lahore, Pakistan, and back, using an Air-bus B-4 for the operation of three flights a week. The other route will be Bangkok-New Delhi-Amsterdam with a Boeing 747-200 being used to operate two flights a week.

The aforementioned three routes will begin operations from 1 July.

Vietnam

National Cooperation in MIA Issue Hailed

BK2406110994 Hanoi Voice of Vietnam in English 1000 GMT 24 Jun 94

[Station commentary]

[Text] As reported earlier, American and Vietnamese experts Thursday began the 30th joint search for MIA's as diplomatic thaw between the two countries begins to triumph over postwar disputes. Here is our radio comment on this event:

The MIA Office in Hanoi said: A total of 102 U.S. experts will take part in the operation, which will run until 19 July, covering 27 northern, central, and southern provinces of Vietnam. One hundred Vietnamese will join the eight search teams, five of which will excavate U.S. Air Force crash sites, while the three others make interviews with the local population.

By its concrete deeds, Vietnam has always proved its goodwill in solving the MIA issue. It has many a time confirmed that the MIA issue is a pure humanitarian question. Vietnam has done and will do its best to cooperate with the U.S. in solving the MIA issue. It is suitable to Vietnam's humanitarian tradition.

In 1993, the two countries also gained encouraging results in solving this question. Vietnam has handed over to the U.S. side 580 sets of remains of the American servicemen, and joint expert teams of both sides have conducted three searches in northern, central, and southern provinces of Vietnam. Colonel of the U.S. Marines Mr. (John Brennon), head of the MIA Office in Hanoi, said thanks to Vietnam's effective cooperation

and support, they have achieved encouraging results in solving MIA issue. Especially in late 1993, for the first time, Vietnam and Laos cooperated with the U.S. to conduct searches in areas between Vietnam and Laos border.

Recent developments prove that the past has been closed and the relations between the two countries has been developing positively, creating favorable conditions for the solution of the MIA issue. Vietnam remains cooperative with the U.S. to effectively solve this issue.

Fishermen Step Up Activities in Spratlys

BK2306121494 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 3 Jun 94 p 4

[Text] One of the sources of income for fishermen in the island district of Phu Quy, Binh Thuan Province, is to conduct fishing activities in the Truong Sa [Spratly] Archipelago area.

There are 450 fishing boats of all types on Phu Quy Island and local fishermen earn their income chiefly from deep-sea fishing and diving. In the beginning, fishermen did not want to go and fish in the Truong Sa Archipelago area for fear of poor catches and long trips and a lack of large boats. In early 1993, a fisherman from Phu Quy Island stayed in Truong Sa for one and a half months and earned 150 million dong from shark fishing. Since then, the movement to fish in Truong Sa has developed quickly. A total of 94 fishing boats operated in Truong Sa in 1993 and fishermen caught 5.6 tonnes of shark fins, 250 tonnes of shark flesh, and 180 tonnes of snapper flesh. Since early this year, as many as 150 fishing boats with 1,200 crewmen aboard have conducted fishing activities in Truong Sa. Each trip brought about two tonnes of snapper and goby and an average profit of between three and five million dong. On some occasions, fishermen earned as much as nine million dong in profit per trip.

To encourage fishermen to operate in Truong Sa, Binh Thuan Province has adopted a policy under which fishermen who invest in the building of large boats having a 45 horsepower-capacity or more for deep-sea fishing activities, especially in the Truong Sa Archipelago area, will be exempted from taxes for one year. Fishermen will also receive the wholehearted assistance of the defenders on the island.

Commentary Reviews Relations With Japan

BK2306125094 Hanoi Voice of Vietnam in English 1000 GMT 23 Jun 94

[Station commentary]

[Text] Vietnamese Deputy Prime Minister Tran Duc Luong received in Hanoi a Japanese Government delegation led by Mr. Shigekazu Sato, director in the Ministry for Foreign Affairs, who is on a working visit to

Vietnam. Following is our radio comment on the relations between Vietnam and Japan:

Over the past years, relations between Vietnam and Japan have developed rapidly. The turning point of the development was the visit to Japan by Prime Minister Vo Van Kiet in March 1993. During this visit, the Japanese Government welcomed and highly valued Vietnam's policy for renovation. After the resumption of Japan's ODA [Overseas Development Aid] for Vietnam at the end of 1992, the Japanese Government promised to further strengthen and develop the economic, scientific, and technological cooperation with Vietnam to a level in conformity with the potentials of the two countries. This commitment has been implemented effectively, especially after the lifting of the U.S. embargo against Vietnam.

Since early this year, many high level government delegations and businessmen from both Japan and Vietnam exchanged working visits in each country to discuss effective measures to strengthen bilateral relations. Recently at the reception given to Deputy Foreign Minister Vu Khoan in Tokyo, Japanese Foreign Minister Kakizawa affirmed Japan's unswerving policy to cooperate with Vietnam. Also in this occasion, Japan voiced its support for Vietnam to take part in regional organizations including ASEAN, and for Vietnam's activities in the Asian Pacific region.

Economically, Japan is the biggest trade partner of Vietnam. The two way trade turnover in 1993 was nearly \$1.3 billion. Japan is the fifth largest investor in Vietnam. At the press conference in Hanoi during his working visit to Vietnam, Mr. (Akira Mishio), chairman of the Joint Japan Vietnam Economic Committee, said that Japanese businessmen showed great interest in Vietnam. He said that 1994 was a year for Japan to invest in Vietnam. Japan's position will be changed when the Japan-invested project on cement factory in north Vietnam with a total capital of over \$200 million is completed.

Nineteen ninety-four is also the year that Japanese Government has honored its commitment. On 28 January 1994, representatives from the Japanese Government and the Vietnamese Government signed exchanged notes and agreement on the Japanese ODA granted to Vietnam in the fiscal year 1993 with the total value of \$426 million. A number of other agreements on the Japanese Government's assistance to the development in economy, education, and health care in some localities in Vietnam were also signed.

This time Mr. Shigekazu Sato and his party are in Vietnam to discuss with Vietnamese agencies concerned to promote economic cooperation between the two governments, especially the Japanese Government ODA in the form of loan to Vietnam.

Report Reviews Phan Van Khai Activities

BK2406045694 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 23 Jun 94

[Text] At the invitation of the Canadian Government, a government delegation led by Deputy Prime Minister Phan Van Khai paid an official friendly visit to Canada from 15 to 22 June. The delegation included Do Quoc Sam, minister chairman of the State Commission of Planning; Le Mai, deputy foreign minister; Nguyen Xuan Quang, vice trade minister; Chu Van Nguyen, vice State Bank governor; Nguyen Ngoc Ha, deputy director of the Overseas Vietnamese Central Commission; Dang Nguyen Bai, ambassador to Canada; and a number of Vietnamese businessmen.

In Ottawa on 21 June, Canadian Prime Minister Jean Chretien warmly received the delegation. Phan Van Khai conveyed to Chretien greetings and wishes of good health from Prime Minister Vo Van Kiet. The deputy prime minister highly valued the role of Canada, as an advanced industrialized country, in its ever increasing relations with the Asia-Pacific region. He stressed that Vietnam wishes to accelerate comprehensive relations in the interests of both countries and for regional peace and development. The deputy prime minister expressed sincere thanks to the Canadian Government and people for their cooperation and assistance to the Vietnamese community in Canada.

Also on 21 June, an economic cooperation agreement and a development cooperation agreement were signed. Do Quoc Sam and Raymond Chan, minister in charge of external relations, signed both agreements. On 20 June in Montreal, a ceremony was held for the signing of a cooperation agreement between the two central credit funds of (?Dejardins) of Canada and the State Bank of Vietnam.

Phan Van Khai had useful meetings with Roy MacLaren, minister of international trade; Doug Young, minister of transport; Mrs. (?Hewitt Labelle), chairwoman of the Canada International Development Agency; and Mr. (?Paul Labelle), chairman of the Export Development Agency.

While in Ottawa, Phan Van Khai visited the Vietnamese Embassy and met with cadres, employees, and many representatives of the Vietnamese community. Delegation members also had working sessions with various Canadian agencies to discuss accelerating relations. The Vietnamese businessmen had many good opportunities to meet with their Canadian partners and attracted [words indistinct]. A number of projects were discussed and planned.

President Sends PRC Condolences on Flooding

BK2306152794 Hanoi VNA in English 1449 GMT 23 Jun 94

[Text] Hanoi VNA June 23—Vietnamese President Le Duc Anh today extended his sympathy to Chinese President Jiang Zemin over human and material [words

indistinct] on the recent floods to the people in the Provinces of Guangdong, Guangxi and Hunan.

On this occasion, the Vietnam-China Friendship Association also sent a message of sympathy to the China-Vietnam Friendship Society.

National Assembly Reportage Continues

Closes 23 Jun

BK2306150494 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 23 Jun 94

[Portions recorded]

[Summary] After 25 days of work, the Ninth National Assembly's fifth session closed this afternoon.

Attending the closing session were "Do Muoi, general secretary of the party Central Committee; Le Duc Anh, president of state; Vo Van Kiet, prime minister; Vo Chi Cong, adviser to the party Central Committee; and many veteran cadres of our party and state."

Prime Minister Vo Van Kiet delivered the opening speech. He said:

[Begin Vo Van Kiet recording] "The tasks to be carried out in the last six months of the year are very great. The report presented by the deputy prime minister at the opening session of the National Assembly pointed out six sorts of difficult problems that need concentrated efforts to resolve. I would like to further emphasize that, apart from the aim of attaining the various requirements for 1994, the implementation of various tasks in the last six months of 1994 will also have a great effect on the following year. The implementation of these tasks requires a great concentration of effort by the various sectors and echelons from the central down to grass-roots levels. In the period ahead, the government will hold meetings with various provincial and city people's committees of all the three regions—namely, the south, the central highlands, and the north—to review the problems encountered by various regions. This is to determine more substantive measures with which to resolve the difficult issues now encountered by each region. We will hold these meetings with various southern and northern regions by mid-July. The government will strive to promptly promulgate various bylaws to provide guidance for the enforcement of the laws already passed by the National Assembly at this session. At the same time, we will also reexamine and continue to supplement and perfect the current policy system. This will involve a large amount of difficult work." [end recording]

Next, Comrade Vu Mao, on behalf of the session secretariat, read the full text of the draft resolution of the fifth session which ratifies the United Nations' 1982 Convention on the Law of the Sea. He said:

[Begin Vu Mao recording] The National Assembly of the Socialist Republic of Vietnam [SRV] hereby decides:

"1. To ratify the United Nations' 1982 Convention on the Law of the Sea.

"2. Through the ratification of the United Nations' 1982 Convention on the Law of the Sea, the SRV has demonstrated its determination to join with the world community in building a just legal order so as to encourage development and cooperation at sea.

"3. The National Assembly affirms SRV sovereignty over various areas of internal water [nooij thuyr] and territorial seas as well as its sovereignty and jurisdiction over areas of water adjoining the territorial seas, the exclusive economic zones, and the continental shelf of Vietnam on the basis of the stipulations of the convention and other principles of international law. Other countries are required to respect the above rights of Vietnam.

"4. The National Assembly once again affirms Vietnamese sovereignty over the Paracel and Spratly archipelagoes, and its policy of settling all disputes over territorial sovereignty as well as other differences related to the Eastern Sea through peaceful negotiations in the spirit of equality, understanding, and mutual respect; and on the basis of respect for international law, particularly for the United Nations' 1982 Convention on the Law of the Sea, and respect for the sovereignty and jurisdiction of coastal countries over their exclusive economic zones and continental shelves.

"After striving to negotiate a fundamental and long-term approach, all the parties concerned must maintain stability on the basis of maintaining the status quo without taking any actions that may further complicate the situation and must refrain from using force or threatening to use force.

"The National Assembly emphasizes that it is necessary to distinguish the issue of settling disputes over the Paracel and Spratly archipelagoes from the issue of defending various territorial seas and continental shelves under Vietnamese sovereignty and jurisdiction based on the principles and standards of the United Nations' 1982 Convention on the Law of the Sea.

"5. The National Assembly assigns the National Assembly Standing Committee and the government with the duty of studying those relevant stipulations of the state law so as to make necessary corrections in such a way as to suit the United Nations' 1982 Convention on the Law of the Sea and to guarantee the interests of Vietnam.

"The National Assembly assigns the government with the duty of adopting effective measures to intensify the safeguarding and management of the various territorial seas and continental shelves belonging to Vietnam." [end recording]

Following this, the National Assembly passed the resolution by a show of hands.

At 1430 today, National Assembly Chairman Nong Duc Manh delivered a closing speech. After reviewing the socioeconomic situation over the past six months, he said:

[Begin Nong Duc Manh recording] Apart from the improvements made, we still display many weaknesses that need to be overcome. There remain many great difficulties and ordeals to be surmounted. He pointed out:

"We must continue to ameliorate the financial and monetary system and increase the collection of the budget revenue to meet the demands of the budget expenditure. We must increase revenue collection along with economizing on spending. We must guard against wasteful spending while taking necessary measures to contain inflation at a single-digit level. We must concentrate on mobilizing and effectively using the sources of foreign and domestic capital to serve key construction projects and other projects already approved. We must create more conditions for the promotion of capital investment from various economic components in society as a whole and must encourage various business firms and families to use their own capital for the production business."

He went on: "We must pay great attention to minimizing the negative aspects of the market system in building a civilized and wholesome lifestyle and in taking up and developing the fine character of the folk culture and revolutionary ethical traditions. We must concern ourselves with the issue of creating employment for the working people, especially youths, and with the issue of eliminating social ills, especially in large cities and urban areas."

"The National Assembly urges the government and various sectors and echelons to vigorously carry out the economic renovation in conjunction with administrative reform. It is necessary to renovate the state apparatus in the direction of compactness and excellence, to improve the results and the effectiveness of the state and social management, to build a socialist democracy, to enhance legislation, and to create a mechanism capable of minimizing and eliminating negative phenomena in state management as well as in social life."

He concluded by saying: "Our country is facing great opportunities and great challenges. To successfully implement the resolution of the Seventh Party Congress and the resolution of the midterm national party conference, the National Assembly calls on compatriots and combatants nationwide as well as compatriots living abroad to be of the same heart and mind, to make full

use of opportunities, repel danger, overcome all difficulties and obstacles, strive to consolidate and broaden the all-people unity bloc, uphold a sense of independence and sovereignty, be creative in developing the fine tradition of the nation, and have a determination to follow the forefathers' example of performing great deeds and advancing the country with the motto: All for a prosperous people, a powerful country, and an equitable and civilized society."

I hereby declare the fifth session of the Ninth National Assembly closed. [end recording]

Fifth Session Ends 'In Success'

BK2306160394 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 23 Jun 94

[Communique No. 22 issued by 9th National Assembly's fifth Session in Hanoi on 23 June]

[Text] The National Assembly held a plenary session in the conference hall on 23 June 1994 under the direction of Chairman Nong Duc Manh.

In the morning, the National Assembly was briefed by Foreign Minister Nguyen Manh Cam on the results of the official friendship visits to the Ukraine, Kazakhstan, and the Russian Federation from 8-17 June 1994 by our government delegation led by Prime Minister Vo Van Kiet and on a number of other diplomatic activities. The deputies heard Vu Mao, member of the National Assembly Standing Committee and head of the session secretariat, present a draft resolution on the termination of Mr. Mai Thuc Lan's positions as member of the National Assembly Standing Committee and head of the National Assembly Economy and Budget Committee pending another work assignment. The National Assembly passed this resolution by a show of hands.

In the afternoon, the National Assembly heard Prime Minister Vo Van Kiet present his views on a number of important issues that need to be resolved to guarantee success for the implementation of the tasks for 1994.

The National Assembly heard Vu Mao, member of the National Assembly Standing Committee and head of the session secretariat, present a draft resolution on the ratification of the United Nations' 1982 Convention on the Law of the Sea. The National Assembly voted to pass this resolution by an absolute majority of votes.

The military band played the national anthem at 1500 after National Assembly Chairman Nong Duc Manh finished his closing speech. The fifth session of the Ninth National Assembly of the Socialist Republic of Vietnam has ended in success.

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